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WHAT THE WORKERS WANT

A STUDY OF BRITISH LABOR

BY

ARTHUR GLEASON

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1920

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WHAT THE WORKERS WANT

INTRODUCTION

THIS book tells what the workers want, in their own words. It is not an interpretation by an intellectual of what he thinks labor ought to want. It is the human record of British labor as it goes to victory, reported by an American for Americans. It tells what the explosive ideas are which have long lain undischarged in human consciousness. It tells in their own words who the leaders are, what the strikes meant, what the workers have won, and what they seek. Labor at home is an agitation; in Britain it is forming public opinion. The trade unions are an integral part of the State. The great trade-union Socialists are successfully fighting the sweep of anarchy from Eastern and Central Europe and the murderous bitterness of American industrial relations.

In this book the writer completes a five years' study of the British. He attended the conferences, met groups of trade unionists, talked personally with the leaders. He sat through the two sessions of the Coal Commission, attended the National Industrial Conference.

One of the chapters in the book is by Robert Smillie, miner, founder of the Triple Alliance, most powerful trade-union leader in Europe. Mr. Smillie answers for American readers the questions which millions of people have been asking: "What kind of England do the workers want?" "When? How soon?" "How? By bloodshed, universal strikes, or votes? By public opinion or organized pressure?" Mr. Smillie describes the revolution now under way, how the victory will be won, and the date of the achievement. He says, "It is a race between Socialism and revolution. Socialism is the only program of reconstruction that is offered."

The Appendix gives in full the important documents of the

social revolution. It gives the famous memorandum of the trade unions to the National Industrial Conference—suppressed by the Government. It gives the profit-sharing scheme of the Coal Owners; the payment-by-results scheme of the 16,000 leading firms, known as the Federation of British Industries. It gives the Report of the Builders' Parliament, signed by three employers and the workers, calling for the abolition of "the owner," and the end of profit-making. It gives the demands of the Miners for full workers' control. It details the evidence of the Coal Commission on the new type of Government servant which nationalization demands and which Sidney Webb produces. It places the Middle Class, and shows the origins of British Socialism in the revolutionary mind of the British people.

The old British industrial system is dying. It was decaying long before 1914. It was killed by the War. It was the system of private enterprise, directed by the profit-making motive of the ruling group, and operated by the mass of workers, driven by fear and hunger. Through organization the workers have obtained such control over industry as to render it unworkable at their will. They refuse to give high production except on their own terms. Their terms are a new industrial system—the Socialist State,[1] with workers' control.

They have presented their ultimatum. Step by step the new order is being established. It is being done without armed insurrection, or bloodshed. It is gentle revolution of the good-humored British brand. It may appeal at one or two points to America, torn by hysteria and bitterness. England for centuries has created the institutions which other nations perforce copied in order to survive.

England to-day is creating a new great society while the rest of the world is swaying in class-combat, or sunk in despair, or menaced by reaction.

[1] As defined by the Labor Party.

SECTION ONE

CHAOS AND ASPIRATIONS

CHAPTER I

CHANGE

BRITAIN is faced by universal unrest in the working class and by a demand that economic power shall be shifted from the owners of capital to the workers. In good faith many men are stating that this social revolution (which is world-wide) is the work of Marx and Sorel, or of a handful of "middle-class politicians," "intellectuals," "agitators," and "Jew Bolshevists." In short, that the conquest of humanity's thinking which Jesus and his eleven disciples and his multitude of later followers in nineteen hundred years could not accomplish, has been wrought in one generation by a small self-seeking incompetent group; and that the masses of people everywhere (exactly, the human race) has been led astray like sheep. But the causes lie deeper than "Bolshevik gold."

Britain is the text of the world revolution because her history promises that she will devise staunch channels for this new impulse of the human spirit, as she has done down the generations. With many failures she has maintained a tradition of freedom of speech, and of liberty for the individual, which gives a temperate climate for social revolution. And she possesses a political instinct for compromise and adjustment, which enables her to construct the machinery for profound change. I venture to predict that England will make an adjustment early and sane, and that she will be the first country to enter the new age equipped and unembittered.

The ideas which are now remolding institutions in Eng-

land and in Europe have lain hidden in the heart of humanity through the ages. They are "high explosives." They are dangerous to established things. They mean the overthrow of privilege. They have a long history. They rode the imagination of several of the Hebrew prophets. They reappeared in a few passages of Plato. They took shape in the "natural law" of the Latins and the Churchmen. They were reborn in the beginnings of England, and flared and flickered from John Ball to the Chartists. They flashed briefly in action a few times in France. It is naïve to confuse their origins with the researches of a German exile in the British Museum, or with a middle-class Bergsonian in Boulogne.[1]

But they never received a trial. They welled up from man's suffering and aspirations only to be forced back to the deeper regions of his unconscious life, where they continued their subterranean tunneling, a stream seeking the light. The instinct for freedom, the desire for equality, never died.

These ideas have taken on the expression of each period in which they struggled for mastery. The expression of them to-day is:

The workers wish to be the public servants of community enterprise, not the hired hands of private enterprise.

They refuse to work longer for a system of private profits divided in part among non-producers.

They demand a share in the control and responsibilities of the work they do (not only welfare and workshop conditions, but discipline and management and commercial administration).

They demand a good life, which means a standard of living (in terms of wages and hours) that provides leisure, recreation, education, health, comfort, and security.

Or, putting these desires into the compact phrases of agitation: The workers are using their economic and political

[1] The statement of these ideas, historically, and their pedigree are given in the Appendix, Section 5, Chapter II.

power to obtain nationalization of key industries, joint control in the management of them, a minimum wage, a basic wage, a shortened working week, a capital levy on war profiteers.

Before the War, these ideas about property, profits, privilege, freedom in work, equality, public service, the State, were rapidly approaching their time of testing in action. From the beginning of the twentieth century a revolutionary period was in swing. The War speeded up the pace.

The War weakened Government by Parliament or Congress. It left naked and unashamed a little inner group of executives ruling the State, which was Government by inner Cabinet. We have even learned (from such partial revelations as Henderson and Barnes have made) that not all of this tiny group were fully consulted. Accordingly we saw Government by Lloyd George. For the possession of his person, the great organized groups struggle. Disregarding the debating society of Parliament, and going directly to the sacred presence of the chief of the State, financiers, business men, the press, and trade unions present their demands. Public opinion is the timorous cry which the middle class and the unorganized fringes of society make at the spectacle of the struggle.

Labor was weakened politically by the War. Its elected representatives were powerless on policy. Its manifestoes were scraps of paper.

But its industrial action was amazingly strong—an astonishment to itself. It needed but the threat of a strike for swift redress in the scale of living. One gesture from Smillie, and Asquith reversed Government policy on coolie labor. Labor had only to shake its puissant locks to see a ripple of respectful wonderment pass over the face of society. It was not the only factor in production. But it learned that it was one of the indispensable factors. The poor began to dream dreams. From the chambers of their buried life ancient hopes rose again.

For the first time in history partly conscious of their power,

the workers now determine to create a social order in which they share the benefits, the responsibility, and the control. Huge arrears of ignorance and incompetence remain to be overcome before this new estate can administer deftly and smoothly. In the transition period, much hangs on the decision which individuals of the possessing class will make. If the experts, the men of directive capacity, the managerial group, and other useful members of the middle class are surly at the change, and refuse to work the machinery of production, there will be more trouble than the western world has yet seen. Only by determined good-will can the next ten years be made even tolerable.

CHAPTER II

A REVOLUTION WITHOUT A PHILOSOPHY

THE "arbiters of contemporary events" are the workers, but they do not fully know it. The center of authority is in labor, but it exercises its authority only in spurts and spasms. Failure to recognize this latent power of labor is to lose track of where "the ball" is and to whom it is being passed. It is to concentrate attention on the blanketed figures at the side lines, who madly dance up and down and scream.

Mr. James A. Farrell, president of the United States Steel Corporation (at the sixth National Foreign Trade Convention, April, 1919), said: "Production is always a question of profit," and he called it "a fundamental law."

Fundamental laws, like general principles, have a way of escaping under sharp analysis, like a netted jellyfish.

That he meant "profit" in its meaning of reward for private effort is proved by his preceding and qualifying sentence in which "he called for such legislation on commerce as to render the enterprise competitive."

The luxury of an incentive of unlimited rewards to induce idle capital to invest has been purchased in Britain by low wages to manual workers and low salaries to managers, technical men, and men of directive and administrative ability. This gamble and adventure of sliding scale returns to capital have been proved to be a luxury. What is more needed is an incentive to managers and to manual workers to give high production. Private enterprise, private ownership, which aims at profits for shareholders, has failed to give the needed incentive to workers by hand and brain. Large sections of workers refuse any longer to operate the system of private enterprise: that treadmill of muzzled oxen which grinds out profits for shareholders. The social revolu-

tion, now under way in Britain, has been hastened by this fact that the capitalists and employers [1] have lost control of labor. Labor in certain of the key industries refuses longer to work for a system of "private enterprise" and "private profits." In America "private enterprise" is a religious idea, closely interwoven with the ideas of "God" and "Country." To challenge it is to pass under such scornful censure as met the atheist in the days of State religion. But in Britain, war-profiteering destroyed the last vestige of reverence for "private enterprise" as a religious idea. And intellectual respect for "private enterprise" was undermined by the Coal Commission, where the coal owners were unable to construct a case against the naïve questioning of Mr. Smillie and Mr. Sidney Webb.

The lords (a Duke, an Earl, and some Marquises) made a better showing in their defense of royalties (for which they give no work, but receive 5½ pence on every ton raised in Britain) than the coal owners made in their defense of profits. The reason was simple. The coal owners waged their combat on facts, and were routed because facts were against them. The lords fell back on mysticism—the great tradition of the upper class—religion, morality, the sacredness of property. The voice of each of them rang with conviction (except the voice of the very charming Marquis of Bute, who lisped). To state a belief in things unseen is an act of faith, and always inspires respect among intelligent persons. So when an engaging red-haired youth, named the Duke of Northumberland, uttered his conviction that England would go down if his unearned income was touched the King's Robing Room rang with applause.

The very moderate and minor amendments which the workers have already obtained, arouse a loud cackle of dismay. When the knife really enters there will be a cry. To obtain a standard of well-being which merely puts them on a level with that of corresponding American workers in pre-

[1] With the good-will of labor withdrawn, their "property" loses its value.

war days, the British workers have had to take determined action, which is described as revolutionary, and which will dislocate the industrial system as it existed before the War. It will take many years, perhaps a generation, to work out these demands for a decent minimum, and meanwhile production will suffer, prices in competitive foreign trade will go against the British exporter. It now requires a revolution to accomplish what in a country of richer natural resources, of higher wages, of modern machinery, would have taken place automatically. So long has justice been denied that the simplest changes mean drastic reconstruction, with an upset. So simple and elementary a step as, for instance, the transfer of the key industries to public ownership, will be bitterly fought. Britain was a 29-shilling-a-week country. Year after year and up to the day of the War, men were underpaid. Britain conducted her business (commerce and industry) on a wage scale so low as to give no well-being to the mass of manual workers, and primary poverty to a considerable proportion of them. Now there is going to be poverty for all. The upper classes put off paying the score. They played their system of underpay till it was over-ripe. Now there isn't enough machinery ready to ease them into plenty. Labor is at the door and demands the greatly higher wage. Too late for gentle adjustment. Now it is pay the wage and lessen the hours, and lose the monopoly grip on foreign markets. It is poverty for all.

The price Britain paid for building an economic system on a foundation of human misery is this:

1. Her men of directive managerial administrative capacity loafed on their job. They failed to install sufficient modern standardized machinery in industry. They saved costs by cheap labor, instead of saving costs by high production through modern machinery and high wages.

2. Sections of the upper middle class and the upper class lived on the community through the ownership of land, royalties, wayleaves, speculative shares. A more equalitarian society would have driven them into the ranks of the producers.

To-day they are being forced to work. As M. Jouhaux, secretary of the French Federation of Labor, said on June 26: "The world stands before the bankruptcy of the middle class."

3. Low wages affected the British working class:
   (a) by leading to the emigration of some of their sturdy, adventurous, ambitious stock;
   (b) deterioration in physique of sections of the industrial population;
   (c) the lessening of efficiency not alone through diminished vitality but also by breeding bad habits of ca' canny, *i.e.*, of slack work, or restricted production.

(This wide-spread system of trade-union restrictions was of course necessary as a protection against overwork, long hours, the strain of speeding up on impaired reserve strength.)

There was a hot time coming to Britain, and it has come. There is nothing that can stop the tumble, for the mass is in motion. The day of reckoning would have come if there had been no war.

The middle class are protesting vigorously at being automatically abolished. They do not turn their wrath upon the economic system which in its ebbing has left them high and dry, as the tide leaves a boat on the beach. They turn their wrath upon labor, whose high wages are to them the visible sign of their own decay, and therefore seem to them the cause of that decay. But they fail to ask why their own incomes have not lifted. If they had asked the question, they would have found the answer. They cannot better their incomes because they do not "strike." And the reason they do not strike is because they cannot. If they struck, nothing would happen. The crops would still grow, the harvesters would still come bringing in their sheaves. Engineers would roll the Liverpool trains into Euston Station. Coal would be hewn. Girls would still stitch. Folks would continue to be be fed and clothed and transported. The solar system would

revolve, and the little wheels of industry would revolve. Life and the human race would go on untroubled, without blinking an eyelash if the middle class rose in a splendid fury and established a soviet and the dictatorship of the respectable. Theirs would be a heroic gesture, but a gesture in the void. They are not of the stuff to make earth tremble.

Their difficulty is that they do not perform a function which is any longer essential. As their function fails, their "rights" fade away.

The Nineteenth Century was the last century of the middle class—"that portion of the community to which money is the primary condition and the primary instrument of life."[1] They were the individual middlemen, and that function is being taken over by the vaster organization of distribution, by chain stores, by co-operative societies, by great emporiums. They were the collectors of little individual pools of capital, and that function is being taken over by the big trusts and nationalized industries, which use their own productive efficiency in terms of present profits to accumulate for reserves, extensions, and new embarkations. As the process of collective expropriation proceeds, through the capital levy, death duties, profits tax and income tax, this section of the middle class is going to be gently and almost painlessly eliminated.

But there are groups in the middle class who do perform a function. What of them?

A large section of the "salariat," the black-coated proletariat, are already forming their associations and trade unions and getting into the game. Britain has the Railway Clerks' Association of station-masters, agents, and chief clerks. The Post Office and Civil Service has a Postmen's Federation of 65,000 members, a Postal and Telegraph Clerks' Association of 27,000, the Fawcett Association of 6,000, the new Society of Civil Servants, the Association of Staff Clerks, and others. The National Union of Teachers has 100,000, and is so thoroughly organized as to call strikes

[1] No definition of the middle class, yet devised, is adequate.

and win wage advances. There is a Union of Engineering Foremen and a Federation of Brain Workers. The Association of Engineering and Shipbuilding Draughtsmen is a trade union and a part of the labor movement. The Association of Industrial Chemists is on the way.

While the useless and festering mass of the middle class can be extracted without damage to the body politic (without any notice even being taken, except for the momentary cry at the peak of the operation), the same swift skilled treatment is not possible or desirable for these living members, just listed. Neither hot air nor gas could disguise the loss, if anything rude were done to managers, deputies, supervisory grades, professionals, superintendents, foremen, brain workers. Many of their associations have joined and are joining the labor movement. Others are resolute in keeping clear. The miners have often kept themselves clear of the labor movement. Thus, when Lloyd George harnessed in the British trade unions to the unified purpose of the State (including later the execution of the secret treaties), the miners refused to sign away their power. Being a key industry, they could enforce their will. It is possible that in these next five years we shall witness similar behavior on the part of powerful professional associations like the doctors. They could not go down to extinction like the bulk of the middle class, because they perform a supremely important function, and it is conceivable that they may prefer a lone Guild—or Soviet—rôle to that of affiliation to the Labor Party.

On the other hand, the teachers in recent annual conference frankly confessed their debt to labor, and a section of teachers from the Rhondda Valley, avowedly under the influence of the miners' example, successfully led the conference to demand workers' control.

I heard the drowned voice of the technical expert at the National Industrial Council; Sir Robert Horne and Lloyd George had got their industrial community nicely lined up into two neat compartments—employers and workers. And suddenly out of the dim hall came a small voice of protest,

and the protestant walked to the platform and spoke his piece of how he represented a large group of technical employees.[1] He was promptly squelched by the Government officials, who implied:

"Why is life full of these alien particles? They tear through paper programs. They poison the pipe of peace."

At any moment this pathetic invaded little neutral may become the Serbia that precipitates the class war, or the Belgium over whose dead body as a moral emblem the Big Ones fight. Always the fight is said to be on behalf of the Little Nation. The royalty owners and coal owners pleaded that rich rewards should go to directive capacity. Then the records were dug up and it was found that a large percentage of colliery managers received £400 a year.

These lively remains of the middle class will have to be incorporated in the new social order.

The Guild of Insurance Officials numbers 10,000 and includes all branches of insurance staffs from branch managers to junior clerks. There is the Bank Clerks' Union. The Professional Workers' Federation numbers 174,000, and includes the National Union of Teachers, the Incorporated Association of Assistant Masters, the Customs and Excise Federation, the Second Division Clerks' Association, the Association of Assistant Mistresses. The National Union of Journalists, which met in delegate meeting on Good Friday, represented 4,000 members, out for "salaries and hours." A representative said: "The gentleman who turns out the gas-lamps in front of my house is paid more than my colleague; the other gentleman who calls to record the figures on my gas-meter is paid more than I am."

These organizations range from group meetings to trade unions, but they are alike in their consciousness of function and in their demand to win representation in the State because of that function. Organized management, organized technical and scientific knowledge and skill is, then, in some

[1] The Society of Technical Engineers.

instances, joining the labor movement. In other instances, it is an independent force in industry.

These organizations are of more importance than the Middle Classes' Union, recently formed, which will not be effective, because, failing to represent function, it will be unable to exert industrial pressure. So its resolutions will pass into the *Morning Post,* instead of into law. It has no power to combine, because it does not perform essential services. If it attempts to break strikes by black-legging, it will create disorder and will be eliminated by any Government which seeks law and order.

The organizer of the Middle Classes' Union is Kennedy Jones, M.P. He says:

> In almost every country in Europe to-day the middle classes are being attacked. 1. Who are the middle classes? 2. What can the middle classes do, even if they organize and combine? The middle classes are all those unorganized citizens, from the point of view of voting power, who stand between the organized and federated worker on the one hand and the smaller, but almost equally powerful class, who stand for organized and consolidated Capital on the other. The middle classes are that large body in the nation who work with their heads rather than their hands, and in whom by far the greater part of the national brain is concentrated. They comprise all the professions, learned and otherwise, shopkeepers, and clerks, and those who help to manage industries and businesses of every sort. To these classes belong both the soldier and the sailor, the stockbroker and the clergyman, the barrister and the architect, the grocer and the solicitor, the author of great works and the men and women whose writings are confined to ledgers.

At question time a lady asked if there was any objection to younger branches of the aristocracy, "who are as poor as church mice," joining the Union.

The chairman replied that if any impoverished earl wished to join the Middle Classes' Union, they would be glad to welcome him.

In advertising for members, the Union announces:

The Union has been formed to protect the great, hitherto unorganized, Middle Classes, against the insatiable demands of Labor, the Power of Capital, the indifference of Governments.

There are many definitions of the middle class as seen by itself. Here are a few:

Those members of the Community who work with brain and pen.
Lying between Capital and Labor.
Every one between the artisan and the aristocrat.
A state of mind.
People with small fixed incomes.

Bernard Shaw says that a middle-class man is a man who would refuse anything less than a five-pound fee.

The Middle Classes' Union is amusing, but unimportant. It is unimportant because all that is effective in it will seek expression through other groups—the professional associations and trade unions.

To sum up what has been said on the middle classes.[1] (1) The non-functioning sections are being squeezed out of existence. (2) Some of the supervisory grades are joining the labor movement. (3) Some groups of managers and other brain workers, such as doctors, are keeping themselves clear of either armed camp of capitalist or labor. They are likely to find themselves in the position of a neutral State, lying between two great powers. (4) The artist, research scientist, creator of values, will have the same lot in these next few years as he has always known. The swaying of forces in combat cannot make him more lonely than he has been in the modern world. He will not be less lonely until a free humanity is able to enjoy creative work. His sympathies run with the disinherited who now, at long last, climb to power. But he has no illusions that their sympathies will be with him.

Certain theorists profess to see in the British labor movement pure syndicalism. Thus, I quote from J. W. Scott,

[1] See Appendix, Section Five—"The Middle Class."

lecturer in moral philosophy in the University of Glasgow: "Syndicalism and Philosophical Realism":

> Much current philosophy [by which he means the evolutionism of Bergson and the realism of Bertrand Russell] would, if true, essentially justify what is sometimes spoken of as the new philosophy of Labor. Syndicalism is the voice of the failure of something. The placing of the chief end of men in economics and in the salvation of a class is of the nature of a relapse. It is the failure of the long effort to achieve the good for man as such—the good, not of one class, but of all classes. Syndicalism is the failure of the socialistic idea to prove its fitness for political power. It is the very voice of socialism at the confessional, confessing its inability to do what it set out to do, namely, run a State.

It is true that a few extremists talk in Bergsonian terms of the change. "The march of events." "The revolutionary moment." "The instinctive movement of the masses." They have gone on from Marx to Bergson. In the old patter, the economic conditions were going to ripen inevitably till the proletariat took over power. Now, "the march of events" is "an instinctive movement" of the people.

But to imply that British labor is syndicalist is an intellectualistic feat which could only have been carried through an entire book by a very young philosopher living in the Clyde area. In general, British labor has no philosophy,[1] no general outlook, but deals in piecemeal gains by compromise and opportunism, with a floundering sureness, like the land-progress of a seal. It has, however, determined on those gains (such as, for instance, to consolidate the wage-gains made during the War), and those gains are ripping the old order into small bits. Labor is at the beginning of the changes which it will put through in the next ten years.[2] Those changes seek to obtain:

[1] Minorities have a philosophy. The passage refers to the mass.

[2] And a full generation at least will be required to "constitutionalize" and stabilize the changes. The next few years will see more unrest than Britain has known in a century.

1. A higher standard of living than the average wage of any industry yet affords.
2. More leisure than the working day, as set in any industry, yet allows.
3. Housing (actually in brick, not on paper).
4. A regulation of private profits.
5. The nationalization of public utilities.
6. Joint control in management throughout industry.
7. Taxation to distribute the wealth of the community.
8. The elimination of unemployment.
9. The creation of a good life by education.

The common people are seeking a cure for what their brilliant young champion, R. H. Tawney, calls "the sickness of acquisitive society." They are, as Arthur Henderson puts it, in "moral antagonism" to national effort for private gain. They are literally sick to death of the life they have known, as organized and governed by the owners of land and capital, the instigators of war, the manipulators of peace with public phrases and private promises. With them in their quest for a good life are the noblest of the Church, such as William Temple. With them are many of the trained economic and industrial minds of England's élite, such as J. A. Hobson, Tawney, Webb, Cole, Brailsford.

But, for all that, the task is gigantic because the *status quo* has an immense specific gravity, all its own. Inertia is woven into the fiber of human nature.

Because of some brilliant pamphlets the friends of labor looked to it for a cavalry charge through the disorganized hosts of privilege. They hoped for a flying squadron, in perfect battle formation, led by some plumed champion, to go spurring and prancing towards a clearly seen objective, while, falling back before them, the old order would be shouting its surrender. Nothing of the sort has happened. The immediate gains of labor are being made sectionally and not by the unified movement. They were largely made in 1919 by the power of the Triple Alliance, headed by Robert Smillie, the miner. He is the greatest leader of labor in this gen-

eration.[1] He is simple and homely, of rugged integrity, of a devotion to his followers unmatched since Keir Hardie and Alexander Macdonald. But he and his Triple Alliance, in 1919, acted alone, and then waited for the other millions of labor to catch up and receive the distributed gain. Labor is weaker in influence and slower to act than was anticipated. The clue has not been found. The leader of all is not in sight. The organization is not perfected. So the mass movement drives on under the urge of its instinct to a series of next-steps, after the path has been broken by the miners and railwaymen.

There is an utter absence of central government in British trade unionism. If trade unionism had a punch mated to its bulk, it would have knocked out some of its enemies before this. But its punch must be made through the Parliamentary Committee of the Trades Union Congress, and the P. C. is so perfectly balanced with historical characters, leaders with a past, forlorn hopes, and men to memory dear, that it is reverent in the presence of authority, and eminently solid and safe in an age of crisis. It is sometimes in part a blend of bartered votes. The ancients are occasionally on it, the discredited, the defeated. All the lazy kindliness of English nature wreaks itself on the P. C.

There is J. B. Williams, who wails that the littlest union is never listened to. So on to the P. C. he goes.

There is W. J. Davis, the oldest active trade unionist. It's a pity not to give it to the fine old man.

There's Havelock Wilson. We swatted him proper in three votes. We hate his policy. So, like good fellows, we'll shove him aboard.[2]

Then a dashing young leader of British Bolsheviks prances down the aisle and swaps votes for one or two more places. And by the time the consolation prize and auction features are cared for, the membership is buried deep in

[1] In personality, Smillie is much like Eugene Debs. But the British democracy has not yet sent him to jail.

[2] Until 1919, when they pushed him into the sea.

cotton wool, and there is little decisive action for another year.

But not only is there this temperamental slowness of the British, there is at the moment a climate of disillusionment. Most of the Government program of reconstruction—housing, land, education—has temporarily fallen down. Some day it will greatly eventuate, but not to-day. The people after the War had looked for a logical fourth act to the drama, with stern justice meted to the wicked, rewards and happiness to suffering innocents, and a general sense of well-being. But they found that a fever had burned them till they were restless instead of satisfied. They found that they had fed on poison so that they were mortified instead of purged. A weariness set in, a carelessness of what comes after, and, as undertone to the celebration of peace, "the quiet weeping of the world." A suppressed bitterness of suffering long endured, inequalities of sacrifice, the nag of old wounds, unemployment, and hate—these are the deposits of the heady tonic of war. One has the sense of a gathering doom, something slowly cumulative through the four years of prelude, and now thickening for the crash and chaos. The face of the sun is darkened over the earth that is black, and the veil of all the temples is rent. Faith has died with the death of the young men. "Only within the scaffolding of these truths, only on the firm foundation of unyielding despair, can the soul's habitation henceforth be safely built." Belief and hope—we are beyond those eager projections of man's desires. This sadness and despair condition all efforts of group or individual. For the moment, the full devastating vision of the futility of human effort has fallen on Europe. England shares in this. Why believe in the power of labor to redeem a world where all things come to dust?

I have a friend in the Ministry of Labor, who, falling under this disillusionment, and seeing with Scotch acumen the limitations of labor, frankly questions its right to rule. He said to me: "I am a little doubtful about accepting labor as the coming power. So I have been putting two questions to

myself recently. Which side would I have been on at the time of the French Revolution? And in an earlier day, would I have been in the mob that cried 'Crucify him'? I wonder now if I am making the refusal to accept a gain of the human spirit."

But it has become academic to debate whether we shall accept life and labor. The only matter for practical men now to consider is the system to be erected on the ruins of privately owned and controlled industry. Which industries shall be immediately purchased by the community? How many and which of the functions of management shall immediately pass under the control of the workers? How shall this power of the producers register itself in Parliament? Shall there be a Special House of Producers inside Parliament? Or a National Industrial Council outside? And what shall be the relation of that to Parliament?

As soon as trade-union organization passes 50 per cent (of male adult manual workers), the power of it is so great that it must function directly upon Congress or Parliament, if the State is to remain under constitutional Parliamentary authority. Only because the American Federation of Labor contains a minority of workers, has Mr. Gompers failed to recognize the subversive character of his teachings. If labor does not possess a political party, it must by the law of its own growth break out in unlawful demonstrations.

Mr. Gompers, the syndicalists, and the revolutionaries of Switzerland and Italy do not believe in the political expression of labor. But British labor prefers to work along constitutional lines, and does not desire to be forced to make its democratic gains by direct action. It was driven to its recent powerful and victorious use of the industrial weapon by the failure of Parliament to carry out its pledges. The miners believe that such theories as Mr. Gompers holds will lead a State to destruction. Let labor organize for the ballot, and vote in the measures it desires. That is why the miners sent some 25 representatives to the House. That is why Mr. Smillie has always devoted a large portion of his time to

political propaganda. He believes that the State should rule industry, and that the will of the workers should express itself constitutionally. Occasionally the miners jog the State into remembering some of its promises, by a pointed resolution.

In the mass of resolutions passed by labor gatherings, it is sometimes difficult to tell which are significant.

There are pious resolutions.

Moderate pressure.

And direct-action-if-you-disregard-it.

Conscription is in the third category. Sending British boys to Russia has recently passed over from the temperate zone of Number Two to the hair-trigger of Three. It is the anger and fierceness of the voice, the fervor of the Hear, Hears, that betray whether the nerve has been touched that vibrates to action. Labor, as a mass, is ignorant of foreign affairs in general, and its policy is often the skilful and sane head-work of its recognized intellectual leaders. Whereupon the Congress or Conference dutifully but dully votes Yes, and straightway forgets what manner of policy it thundered to a waiting world. It is doubly hard for an outsider to tell the difference between a blank cartridge, noisy but impotent, and a smokeless Maxim-silenced bullet. Sometimes the politicians go wrong and think that a stick of dynamite is a stick of candy. Mr. Lloyd George picked up conscription and thought it could be chewed. If any other man had been equally playful, it would have blown his head off. At that, it jarred him.

The British prefer not to face a thing ahead of time. They rely on their reserve strength to see them through. So, right now, they are working a greater change than their talk about it reveals. And it is going to be done with an accompaniment of severer suffering than they let themselves realize. The impulses and desires of millions of individuals are finding expression. Innumerable transient particulars are drifting in the stream of tendency. We speak of "labor" as if it were a static thing, when often what we mean is a certain fierce-

ness of some of the younger men, or a flicker of brief group-unity in aspiration or resentment. But in spite of all those separate particles of unique disposition, there is a common direction in their striving. Pushed on by the movement itself, they drift toward the sea, and already they are caught in the groundswell of the storm.

CHAPTER III

LABOR THE UNREADY

THE War caught British labor unprepared. It required three years for the workers to find themselves and begin to shape a policy. So it is with the coming of peace. The post-war world demanded a policy, and labor was unready. If there had been a determined program backed by 6,000,000 convinced workers (and their families) it would have won its way against the Government, Parliament, the middle class, and big and little business.

And by a program I do not mean a political pamphlet, like *Labor and the New Social Order,* however brilliant and well-balanced. The authentic aims of labor were stated in that eloquent document, but they are clothed in the terms of political change and Government administration, and their appeal is to the political consciousness. Now the political consciousness of labor is undeveloped, because its political experience is slight. Instinctively it turns to industrial action, because its desires and impulses have long gone out along that track.

A labor program would have carried the day, had three "ifs" been granted.

(1) If British labor had been united.

(2) If the leaders had been agreed.

(3) If the Parliamentary Committee of the Trades Union Congress were a central executive of trade-union government.

Actually labor was in disarray, with war-weariness, chronic inertia, large conservative blocs, and little revolutionary cliques moving in various directions.

Its leaders were at loggerheads on aim and method (from "more production" to "direct action").

The Trades Union Congress is "an unorganized public meeting unable to formulate any consistent or practical policy," and its Parliamentary Committee represents very perfectly the inertia, the weariness, the conservatism of the membership.

A year has gone since peace of-a-sort came to the British Isle. With the beginning of the year sectional strikes broke loose. The aim of the workers was to hold war wages with reduced hours. The miners went further and aimed at a slightly better standard of living than that of pre-war days. But so well tutored in misery and servility were all the workers of Britain that no industry asked for an average that should exceed $800 a year, and even these faint-hearted demands for a wage of from $600 to $800 a year were called revolutionary. And the same cries of ruin came from the owners of land and capital as had come from their God-fearing ancestors when it was proposed to remove tiny children and pregnant women from heavy work underground in the mines.

Then followed the Coal Commission and the National Joint Industrial Conference; extra-Parliamentary extemporized devices to save the face of Parliamentary Government, when the power had moved. The Coal Commission was the tribunal before which the old order humbly appeared. The National Joint Industrial Conference was an affair of employers and workers where the Government figured in the position of referee, second, and sponger-off. It mopped up the spilled, received blows, congratulated each side, and noted how many points had been scored. It finally announced "No decision," and another great expectation faded. Mr. Lloyd George appeared at that conference with all the irrelevance of a beautiful woman on a battlefield.

England is slowly building new organs of government (both in legislation and administration) outside of Parliament. Political questions will still be handled at Westminster, but the economic life of the nation will largely function through trade unions, industrial councils, and shop committees. A

political Parliament is powerless to grapple with these economic questions, because it is not present where these vital forces are visibly active. What the Russians grabbed for too swiftly in soviets and workers' committees, England is attaining step by step stumblingly in the Shop Stewards' Movement and shop and pit committees. It is control of industry by the producers (including, of course, foremen, managers, draughtsmen, directors, technical advisors).

If by revolution is meant general economic paralysis or riot, the British worker does not wish revolution. If by revolution is meant the transfer of economic power from the middle class to the workers,—an organic change—that change is slowly, sectionally, painfully being made. And the worker does not mean to watch this process eventuate in the fullness of time, himself standing by as a casual spectator. He is determined to see the process fulfilled in this generation. He plays his part in bringing it to pass. He prefers settled order to wholesale experimentation, but he does not prefer settled order to piecemeal experimentation.

The British are trying to include all the revolutionary aims at once: the conquest of power, the suppression of counter-revolution, and the smooth working of the new order. (And yet take them one step at a time.) Their method is the persuasion of the intellectuals, the winning over of the salariat, the splitting of the middle class, and the consequent inclusion of useful middle-class members in the Labor Movement. The upper class is negligible. It has never been sharply differentiated. There are few old families. Most are like Smithson, who to his amazement became Duke of Northumberland. Those who have not been graduated from middle-class groceries, tea, beer, and soap are a small group as compared with the community.

The Government has been caught as unaware by peace as it was by the German Army pounding down on Paris in August, 1914. Its "schemes," and "approved sites," and "strongly worded circulars," are to the tidal rip of the mass-in-motion, as the British Naval Reserves that went to save

Antwerp were to the Prussian legions and the 16-inch guns. I have seen both exhibitions. They are the twittering of sparrows in a thunderstorm. In the London *Sunday Times* for June 8th, Frederic C. Howe is quoted as saying: "Great Britain has not carried through a single one of the great ideas included in her reconstructive program." He is correct. No houses. A few hundred soldiers settled on the land. The acquisition of land at landlords' prices.

The "literature" of any of these subjects is voluminous, the schemes multitudinous. Of action there is little. Of determined policy, none. . Everything is left to drift. It is the first two years of war over again. Then, there were the French to hold the pass, while England groped instinctively toward final resolute action. God has always granted England time to grope. He is a slow and constitutional worker Himself, using trial and error. The devil is a fiery revolutionary. Who will win?

The owners of land and capital have made large concessions inside the old social structure. These will not suffice. Labor demands a radical change in the division of the product, and in the terms of ownership and management. Until this is granted, there will be increasing unrest, recurring strikes, and diminished production, leading ever nearer to national financial disaster. To save their country, the owners of land and capital must make a sacrifice comparable to that of the volunteer soldiers. The first signs of trouble were manifest last winter, and within three years they will begin to force the issue. I believe that the change will be made peaceably and constitutionally. I believe that the Coal Commission will be the precedent for reorganizing the great industries. In short, Smillie (backed by the industrial pressure of the Triple Alliance) was an arbiter of event, and labor organization is the instrument of the British constitutional social revolution.

The change, now being wrought, will break into revolution [1]

[1] The orthodox revolution of force, with paralysis, riot, and bloodshed.

if it is thwarted by the employers and the Government. But if the ruling class yield, the change will be made constitutionally. The leaders of labor wish to make the transition to the Socialist State, managed by the workers, without loss of life or loss of productive power. The first step only has been taken in this change. The far greater steps remain to be taken. The younger men wish to take them in the next two years. The older men, say, five, ten, fifteen years.

The change, in any case, is being made within the framework of a huge debt, worn-out plant, a falling volume of production, fatigue, and bitterness. The sooner the workers share the knowledge and the responsibility of these menacing fundamental conditions the safer for the structure of society. The War has brutalized and embittered all relationships from family life to political procedure. Violence and immorality are temporarily embedded in the consciousness of some of the nation. So any wildness is possible, but I think bloodshed is improbable. I think the overwhelming force of the trade unions will awe the possessing classes into submission. The workers, once in power, will realize for the first time that, as the legacy of the War, they are faced with primary poverty for the next twenty years. No nationalization, nor workers' control, nor shop committee, can devise a machinery for escape from the iron law of diminished wealth, lessened productivity. But for the first time the workers will sit in at the banquet which now will be dead-sea fruit.

The financial situation is the most serious of any since the years following 1815. The debt approaches £8,000,000,000. A daily expenditure of nearly £4,000,000 goes gaily on. Hours are decreased and wages increased on a falling market. Unemployment benefit was paid to half a million persons. Between 10,000 and 20,000 rich persons are spending £50,000,000 or more a year in luxury.[1] And all this orgy is being written off against future productivity. The Government postpones the day of liquidating the War by creating more debt.

[1] This is a pre-war estimate, and is probably to-day an underestimate.

Within three years, two things are inevitable:

A capital levy.
Hard work and greater production from all the community.

But labor will not give its fullest effort until—

The system of private profits is altered.
Workers' share in control is granted.
Full facts of industry are revealed by share in management.

There is no use in beating the big drum of high production, as Professor Bowley and W. L. Hichens and the rest are doing, unless the division of the product of industry is organized on a new basis. As long as the Dukes and Marquises take royalties from every ton of coal, and Lord Tredegar's "Golden Mile" of railway (3 double tracks, 1 mile long) pays him, taxes not deducted, £19,000 a year on an original outlay of £40,000, labor will not speed up to pay the interest on war debt. These facts from the Coal Commission are reverberating through the island.

The temper of the returned soldier will be the determining factor in all this. The sacredness of life and property no longer deters him from an impatient rush to the thing he wants.

Britain has the "Young Men in a Hurry"—the 10 to 25 per cent of the workers who demand a new social order without delay. She has the-not-more than 1,000 wild men (in all Britain) who would destroy the present order at a stroke by tying up industry, and would establish a dictatorship on the lines of Lenine.

She has the 20 or 25 per cent of "Old Timers"—the older order of trade unionists, who desire gradual amelioration inside the existing order. These men (Walter Appleton, Havelock Wilson, Sexton, Tillett, Seddon, Stanton, Roberts, Clem Edwards) rank much as Gompers does in America.

In between these strata lie the 50 per cent of silent voters, with whom the final decision rests. Whether they move con-

stitutionally step by step, or instinctively in a swoop, will set the history of the next five years.

The giants of the year have been Smillie, Hodges, Clynes, and Henderson. Clynes is the consummate voice of the elder labor statesmen. Hodges is the one young man of British labor expressing the aspiration of workers' control. Smillie is the rugged personality of the order of Lincoln, who by moral authority and human sympathy is the greatest figure in labor of this generation. Henderson is the adept, honest politician who thunders common sense. He is less gifted than Clynes, but he has a policy. He is a battering ram of the center, where Clynes is a brake.

The "private enterprise" type of young man is pretty sure to emigrate in these coming years to some one of the business republics.

The socialized miner, railwayman, engineer, shipbuilder, cotton operative, will be the governing class of Britain-national service, good wages, workers' control.

The rate of exchange will be determined between a business republic (Canada, United States) and the socialist state[1] of Great Britain; and the relative *general* level of well-being will then determine the number and quality of emigration.

It is safe to predict that a million or more persons will in any case emigrate. But that is only the accumulation of the average rate (200,000 a year for five years of damming up).

My trips to the North of England and to the Midlands have convinced me that the situation is more disturbing than Government officials realize. They receive their information from the old-line trade-union officials, and they sit in their barracks at Whitehall exchanging memoranda, writing de-

[1] The word "socialism" is used throughout this book in the British sense. It means a progressively changing social organism, where key industries pass one by one under public ownership, where public utilities are municipalized, with areas of industry under voluntary co-operation, and other areas in private hands, and with private property widely distributed. The British mind is neither syndicalist nor communistic. It will seek to preserve all that is useful in the old order, and is sure to preserve religiously much that is obsolete.

tailed reports. They rarely talk with the militant leaders, with the rank and file, or with the returned soldiers.

Thus, at Coventry, I heard George Morris, District Organizer of the Workers' Union (350,000), say of a certain major, who was head of a jam manufactory:

> He received so much a head for sending the boys out to the front, and now I suppose he is buying back their dead bodies for his jam.

The official and upper class tendency is to underestimate the volume of the currents now running. At present they are running under the surface. They are largely instinctive and subconscious. But with an obstacle to dam them, they would swirl up through the crust. They can still be canalized constitutionally. God is very good to the English, and he may give them a moratorium.

SECTION TWO

THE YEAR

CHAPTER I

THE BRITISH COAL COMMISSION

THE sessions were held in the House of Lords. The scene is a beautiful high chamber, of gold, blue, and red—the King's Robing Room—with scenes from the Round Table on the walls. Fronting each other in informal but dramatic way are the two systems of financial control (private enterprise and nationalization) and the two theories of management (autocratic and democratic). There are twelve commissioners and a judge. Three commissioners are coal owners, three, miners, three are "impartial" representatives of allied great industries, three are "impartial" economists, representative of democratic ideas. Mr. Justice Sankey is of the new order of judge. He gives liberty to the witnesses to tell their story in their own way, and full scope to the commissioners for cross-examination. There are no restricted areas into which owners might pass with their profits discreetly cached or syndicalists with loose, destructive theories of minority control. Sankey has a brisk suavity, with a delightful smile, and a firm will. He is a thorough gentleman, and in sweet and patient fashion rescues an unlettered and muddled witness and states the worker's case for him. He never employs his rich humor against simple persons, ignorant and sincere. But he shakes with judicially suppressed laughter when Sidney Webb goes to the mat with a protesting statistician. "Quite right, you are quite within your right in putting the question." When there was wrath at one witness, and the twelve commissioners raised their voices together, the justice, who is a large man, rose and in his blandest tone said, "Thank

you, gentlemen, thank you for all contributing at once." And when labor, in herd formation, trampled one famous expert to the flatness of his own shadow, Sankey subdivided for them the limits of their death-dealing function: "For questions of the industry, Mr. Smillie; statistical, Sir Leo; policy, Mr. Webb," said he. And he implied that treatment from one of them was enough for any particular authority who wandered into the witness chair, which itself began to take on the atmosphere of the electric chair at Sing Sing. I saw one owner, Mr. Thorneycroft, waiting his turn, eying it with a grizzled gloom. No such latitude of questioning has ever before been permitted in an official industrial investigation. Here you had a miner cross-examining a millionaire employer, and driving him into a corner from which he did not escape. And an owner asking a miner, "What do you really want?"

Of the three miners, Robert Smillie will be dealt with in the next chapter. Herbert Smith is the vice-president of the Miners' Federation. Frank Hodges is the secretary; he is a brilliant young miner, associated with the Guild Socialists and their ideas. He is clean-shaven, brown-eyed, lean, and forceful—a workingman with education, and touched with the hope of workers' control. To such a man, representative of the youth of the labor movement, wages loom less largely than the vision of a spiritual freedom through widening functioning. If Smillie is the greatest personality thrown up by the labor movement and the summation of a century of struggle, Hodges represents the promise of the coming generation, which will inherit the power. The Guild Socialists of the miners, the industrial unionists of the railwaymen and transport workers (fed on the propaganda of the Labor College), and the shop stewards of the metal workers are some of the youth of the labor movement. Already cotton is beginning to stir to the same winds of doctrine. And when these five industries move, Britain alters its center of equilibrium. The young are about to be heard.

Typical of the views of Mr. Hodges are the following:

The miners have been excluded from management, although they offered a plan for increasing the output. I assure you that is the root of unrest. We have submitted hundreds of instances of mismanagement—ineffective clearance, want of trams.

We have the changing ideas of one million men in relation to their industry—their wish to be taken into confidence, their wish for directive control. What alternate scheme do you suggest? Do you propose to cast that aspiration away?

Of the three keen friends of labor at the table, "it is a work of supererogation" (as President Hadley says) to introduce Sidney Webb, the greatest mind in the Labor Movement.

Sir Leo Chiozza Money was a Coalition Liberal in the last Parliament (he is now of the Labor Party). He was on the Blockade Committee, and the War Trade Advisory Committee, and associated with the Ministry of Munitions. Later he became Parliamentary secretary to the Ministry of Shipping. His writings are well known. His facile manipulation of statistics gives him the uncanny prestige of a Sherlock Holmes. Sir Leo is a little Diabolo—of Genoese blood; his black eyebrows against the pallor of his face make tiny, incipient horns. He has darting eyes. He is efficient in every motion, selecting his pamphlet out of a pile, and turning the pages with his left hand, doing everything the one best way. He grows impatient with the muddle-headed witnesses, flicks his wrists, crosses his legs and drywashes his hands, irritably implying, "Is this the sad lot we have to deal with?" A little man like a lightning bug.

R. H. Tawney is fellow of Balliol College, Oxford, a promoter of the Workers' Educational Association, was director of the Ratan Tata Foundation of the University of London, is a writer of studies in economics. His hand is visible in the Report of the Committee on Adult Education and the Report of the Archbishop's Fifth Committee of Inquiry: on Christianity and Industrial Problems. He is in the line of the long English tradition of the governing class—university training and established church affiliation. And, like many

of the church and the twin universities, he has aimed the tradition at social change. A main drift of his thought is:

An acquisitive society reverences the possession of wealth, as a functional society would honor, even in the person of the humblest and most laborious craftsman, the arts of creation. To recommend an increase in productivity as a solution of the industrial problem is like offering spectacles to a man with a broken leg, or trying to atone for putting a bad sixpence in the plate one Sunday by putting a bad shilling in it the next. As long as royalty owners extract royalties, and exceptionally productive mines pay 20 per cent to absentee shareholders, there is no valid answer to a demand for higher wages. For if the community pays anything at all to those who do not work, it can afford to pay more to those who do. A functional society would extinguish mercilessly those forms of property rights which yield income without service. There would be an end of the property rights in virtue of which the industries on which the welfare of whole populations depends are administered by the agents and for the profit of absentee shareholders. [*The Hibbert Journal,* April, 1919.]

Abounding in good humor, Tawney hazes each witness, and chortles with merriment when the gentleman, still smiling back, sinks in the bog. Thus, an owner testified that profits were needed in order to reward good management. "I know nothing of these things," said Tawney; "I supposed that profits were paid to the capital invested. Tell me, do profits go to the manager?"

No one seeing this care-free, lovable young person would guess that two years ago he lay for thirty hours in No Man's Land, bleeding his life away. What saved him was the fact he had previously drunk his canteen of water, and, being parched, the blood so thickened as to form its own protective clot. When the statement is made of labor conferences, "These are graybeards and fathers in Israel; where are the young and coming leaders?" the answer would include Tawney and Hodges.

The three members of the commission representing em-

ployers generally are Arthur Balfour, Sir Arthur Duckham, and Sir Thomas Royden. The three coal owners are: J. T. Forgie, R. W. Cooper, and Evan Williams.[1] These three coal owners make, each in his own way, an impression of sincerity and staunch character, with human compassion. The inquiry reveals simply that they, like the miners, are caught in an obsolete organization, functioning creakily in this new century. On the fourteenth day of the inquiry, like the French nobles they died as gentlemen should, with Justice Sankey, of old-world courtesy, officiating at their last rites.

One witness said, "I give my opinion without hesitation"; but he had not yet crossed the zones of fire. To state it in terms made popular by a world war: The heavy emplacements were broken by the 16-inch gun of the miners' president. There was no brushing away the plump of those shells. Then followed the clean long-distance hits of the middle-calibered Hodges gun, carefully aimed, effective at any range.

Herbert Smith wheels up about once every eight hours—a short, squat howitzer, which rumbles in heavy Yorkshire till it has cleared its throat, then drops a single fat charge, messing the whole landscape, and retires for the day still smoking and grunting.

Sidney Webb is the machine-gun, shooting three sharp-nosed ones before the first has sunk into soft flesh—a rat-a-tat-tat which mows down everything in sight, with a bright, eager innocence. Smokeless and well-camouflaged, it seems to say, "I am only a little one, and I wouldn't hurt a fly."

Tawney isn't a big gun at all. He is the song the sirens sang, that wooed ships to the rocks. He is the pied piper that leads astray. With rumpled hair and the boyish charm of Will Irwin, he lures the witnesses to a Peter Pan chase in the forest far away from their safe home—and "Now you are lost," he says. Then he smiles up at Sir Leo Money,

[1] Later, the places of Sir Thomas Royden and Mr. Forgie were taken by Sir Allan Smith and Sir Adam Nimmo.

that lonely sniper in a tree who picks out the fat heads and cracks them.

By the time the tired business man or tangled statistician has received the attentions of labor's Big Six, he is carried away on a stretcher while the half-dozen kindly non-combatant financiers, across the table, look distressed, and either Mr. Balfour or Mr. Cooper rushes forward, too late, with a bandage and a stimulant. They had not expected to attend a slaughter. Then Mr. Justice Sankey with the Olympian indifference to the presence of death of a General Headquarters Staff, calls, "Next."

The collapse of the coal owners' witnesses was best described by Mr. Alexander M. Thompson of the *Daily Mail:*

First comes Mr. Smillie, who glares at the poor gentleman from under his shaggy eyebrows like a Yorkshire terrier looking for a nice fat part to get a bite at. There is Mr. Hodges, the terrier's young apprentice, who, whenever his turn comes round, gets his teeth in playfully but usefully. There is Mr. Herbert Smith, bluff and burly, bull-dog type, who does not intervene much, but, when he pounces, sticks. Next sits Mr. Webb, of the suave smile and velvety voice, a fox in lamb's clothing, who purrs on the witness till he has hypnotized his suspicions and then proceeds to snap bits out of him.

Mr. Tawney has the public-school accent, and rumpled hair of the predestined Fabian, and he confuses the witness to the verge of distraction by running round and round him, as if looking for a chance to spring at the back of his calves. Finally there is Sir Leo Chiozza Money, black and white, sharp as a needle, with painfully visible teeth, who gets very angry and snarls most fearsomely.

Altogether the wtiness has a nasty time. He begins usually with a very self-satisfied air—an air of "I've-not-come-to-argue-I'm-telling-you." He oozes facile economic platitudes and looks round for applause. But he doesn't utter many words before he begins to sit up and metaphorically jump. Bit by bit he loses his sweet complacency and gets annoyed. Then the pack severely rebuke him, tell him not to lecture, and bait and badger him till he fidgets wrathfully and looks inclined to gibber.

As one of the witnesses for the coal owners said:

> We haven't prepared any case. We have come prepared to answer your questions.

And the past of these witnesses fluttered into the King's Robing Room like the forgotten wives of a bigamist. Thus Mr. Webb reminded one that he had once prophesied the ruin of the industry if an eight-hour act was passed, but that the output actually equaled under the act what he had said it would be without the act.

Over all the conferences presides that spirit of keep-your-shirt-on which is a national characteristic. The authentic voice of Britain spoke when (with 800,000 men voting a strike) Sir Arthur Duckham queried, "Is there any real unrest in the coal-fields or does friction exist only in this room?" Just so I saw bored British officers adding up account books in Ypres (on November 1, 1914, the "first battle of Ypres") when eight-inch shells were breaking in the city.

The unrest that created the Coal Commission is buried deep in more than a century of suffering. It dates back to days when miners were slaves, bound to their pit for a lifetime. It passed on to the little children who spent their childhood in darkness at hard labor. It came through fiercely during the War. In the early months of the struggle, 300,000 miners volunteered with an eager patriotism. They volunteered in such numbers as to limit seriously the supply of coal. Then came the revulsion of feeling when some of their overlords conducted business as usual. It is well reported in the words of Vernon Hartshorn, miners' agent in South Wales, and member of the executive of the Miners' Federation of Great Britain. On November 27, 1916, he wrote:

> Our experience of the desire of the coal owners to make undue profits at all costs while the nation has been at death grips with the enemy has resulted during the War in the feeling of the mass of the workmen towards the owners hardening into positive hatred and contempt. In normal times it will be as impossible for the

miners and coal owners of the South Wales coal-fields to work together on the old lines as it will be for the Entente Powers ever to resume relations with Prussian militarism.

With the War ended victoriously, with the least danger of injury to the export trade of the last two generations, the miners pressed their case for redress. So Mr. Lloyd George had Parliament set up this Coal Commission.

Many commissions have come and gone, in a hundred years, with nothing left of their findings except fat bluebooks in the northwest aisle of the British Museum, where young Fabians come and browse. Several governments have turned hot agitation into tired minutes, and, smiling, put the question by. In fact, there has been no better device by which embarrassed cabinets could evade action and satisfy an angrily buzzing electorate than to call a royal commission, sitting for six months, with a gentle body of recommendations which come so long after the uproar that no one remembers that any commission has sat with the patience of a hen in the barn-loft. In this way has been built up the literature of the British social revolution. H. G. Wells' young friend, Frederick H. Keeling, who fell in France, found it "a great sensation to feel the stream of British bluebooks flowing through one's brain." But the effects of the radical mind working through a royal commission, though far-reaching, were slow. What was immediately needed with a million miners about to strike was not a nugget of radicalism for Graham Wallas' next book, but a policy, swiftly enacted, for a basic industry. So these innovations were made:

1. This commission was made statutory. "A royal commission would not answer the purpose," said Mr. Lloyd George; "it would not have the necessary powers. We have decided to have a statutory commission with authority of Parliament behind it, with the same power as now rests in a court of justice."

2. Its findings on wages and hours become law, instead of (in the words of Bonar Law) "making reports which in

ordinary circumstances might be put in the waste-paper basket. We are prepared to adopt the recommendations in the spirit as well as in the letter." [1]

3. On other commissions, impartial persons had been selected from the governing class, men committed to "private enterprise." Mr. Smillie insisted that equally impartial persons in equal numbers should be selected from groups whose economic theories were not based exclusively on the 1830 school. In short, there is no such thing as an impartial person, therefore hold the balance even.

4. The wide area of the terms of reference. In a study of the coal trade (in Tracts on Trade) made in 1830, the statement appeared:

> The coal owner receives twelve shillings and ninepence. This sum he receives to remunerate him for the labor and capital employed in winning the colliery, to insure him against the risk of the accidents attendant upon this hazardous trade (such as the vicissitudes of explosions and inundations).

Such impertinent and extraneous questions as the effect of those expensive "explosions" on the lives of the miners have in this commission intruded into the conference. The trade is now regarded as "hazardous" for the miner as well as for the money.

Those old-time commissioners used to be rebuked by witnesses, when the commissioners overstepped the terms in which a great landholder or industrial captain should be interrogated. Such matters as wages and the personal habits of workers were proper. But profits were not the concern of the community or the Government. For instance, in the Report of the Select Parliamentry Committee on Coal (1873) we read:

> Your committee have not entered into an examination of the profits of colliery proprietors since the rise in prices.

[1] Mr. Lloyd George rejected the findings of the Commission on nationalization. Almost the entire labor movement has pledged itself to "compel" the Government to enact those findings.

But they accepted unsupported statements from coal owners of the miners feasting on champagne and making a pound a day. In that Parliamentary committee of 1873, the owner was asked, "If it is a fair question, what were your profits?" The owner felt it was not a fair question and did not answer it. Those were days before the Webbs, the Hammonds, Charles Booth, and Seebohm Rowntree had educated Britain. So we find the 1873 committee reporting:

As no standard can be laid down to fulfil the conditions of health, social comfort, or moral existence, it must be left to the general feeling of the workmen, improved by education, to prescribe the proper limits for their labor.

Never has so much of mere human stuff entered into the consideration of important officials as in this 1919 Coal Commission. Bonar Law summed its work of the first fortnight as: "A bigger advance at one time by far towards improving the conditions of the men engaged in industry than has ever taken place." What is that advance?

1. An Easter egg present of $35,000,000 in back pay.
2. "Seven hours" of work underground.
3. Six hours in 1921 "probably." ("Probably" is the official word in the report.)
4. The distribution of an additional sum of $150,000,000 as wages among the colliery workers (2 shillings a day).
5. Voice in management.
6. Condemnation of "the present system of ownership and working."
7. Raises the standard of living, shortens the hours of work, and converts into responsible public servants 1,100,000 men and youths employed in 3,300 mines (comprising with their families between four and five million persons—one-ninth of Great Britain).

In 1913, the 1,100,000 miners received £82 a year (about $400). With the cost of living increased by 115 per cent, their wages have gone up to £169 a year, which was an increase of 106 per cent. To this £169 a year is now to be

added about £27 a year, making £196 a year (about $650, at present exchange). A seven-hour day will mean that the men are underground, taking the average, 7 hours and 39 minutes. Small wonder that the representative business men of the commission have ordered these improvements; $650 is not extravagant pay for the father of a family. Seven and a half hours of some of the hardest and most dangerous work in the world is enough. What was the evidence that swung public opinion against "private enterprise" in mining?

1. Royalties paid to the owners of the soil (who do not own the mines or work them) are $30,000,000 a year. A pure "property" tax at the expense of the miner and the consuming public. Steadily it was emphasized that on every ton of coal, on every article of manufacture, "there was," in Mr. Webb's words, "a tribute due to property, exclusive of any service rendered to the article."

2. Profits for 1916 were $185,000,000.

3. In June, 1918, 2 shillings sixpence a ton added to the price of coal to lessen the loss to weaker collieries, thus enhancing the profits of the prosperous collieries; an instance of "economic rent." The coal controller tacked on this figure at a guess. Sir Arthur Lowes Dickinson, chartered accountant, Government witness, in answer to Mr. Webb said, "If profits had been pooled it would not have been necessary to put prices up."

4. The need for pooling of wagons.

5. The need for the sinking of new shafts and improvement of old ones.

6. A divisional inspector of mines said he "had been down into pits where the roads were very low and inconvenient, and he had told the managers they ought to have bigger roads and bigger tubs." But they usually said they "could not do it and make a profit."

When asked if this implied that if they got greater productivity, and the nation got more coal, they would get less profit, the witness replied it was so.

Sir Richard Redmayne, chief inspector of mines, the head of the Production Department of the Control of Coal Mines, technical adviser to the controller of coal mines and chairman of the Imperial Mineral Resources Bureau, said:

That the present system of individual ownership of collieries is extravagant and wasteful, whether viewed from the point of view of the coal-mine industry as a whole or from the national point of view, is, I think, generally accepted. This is a somewhat daring statement, but I am prepared to stand by it. It conduces to cut-throat competition between owners selling coal, and is preventive of the purchase of materials necessary for the carrying on of the separate enterprises at prices favorable to the coal owners. Advantages which would result from collective production would be (a) enhanced production; (b) diminished cost of production; (c) prevention of waste.

These advantages, he explained, would be due to the following factors:

(1) Prevention of competition, leading to better selling prices for exported coal being secured.

(2) Control of freight.

(3) Economy of administration by curtailment of managerial expenses.

(4) Provision of capital, allowing of quicker and more expensive development of backward mines.

(5) More advantageous purchase of materials.

(6) Reduction of colliery consumption. This is very high in some mines. The average for the United Kingdom is 6 per cent, and the consumption altogether about 16 million tons.

(7) More harmonious relations between the workmen and the operators, due to steadier work and adequate remuneration of workmen.

(8) Obliteration to a great extent of vested interest and of middlemen. From the collective production of essentials it is a very small step to collective distribution. This would hit hard at the middleman, who is a serious item in the cost to the consumer.

(9) Unification of the best knowledge and skill, leading to greater interchange of ideas and comparison of methods. If good

results were obtained at one mine and bad in another, these results would be open for all to benefit therefrom.

He added that he had approached the whole question from these points of view—the greatest possible production of coal at the least possible cost with the greatest possible safety, the health of the workmen with the highest standard of life, and an increasing standard of life. It was a great mistake to suppose that a lower standard of efficiency followed a higher standard of comfort. Mr. Smillie then questioned Sir Richard Redmayne:

The miners love their children as much as other people?

I have known cases of families, orphaned by mining explosions, whose children have been adopted by other miners who have forgotten who were their own children and who were the adopted children.

From your own experience in mining districts do you feel that the time has come when there ought to be a revolution in the housing of the working-class population, especially amongst miners?

As a house is, so is the individual; as is the individual, so is the state.

Have you in Scotland seen houses owned by mine-owners worse than anything you have ever seen in Durham or Northumberland?

I visited one village in particular in Scotland, and I have seen no houses in any part of the United Kingdom comparable in badness to those particular houses.

Take it from me that the average earnings of the adult mining population prior to the war were under 25s. a week. Is it possible to raise a family in the state that it ought to be kept?

It would be hard.

Mr. Smillie remarked that a number of mine owners had assisted the Government during the War in various ways. He asked Sir Richard if he believed they had given as honest service to the Government as they gave to their own business.

The witness answered yes.

May I take it that if the nation take over the mines we might expect the same gentlemen to give the same service to the nation? I can only express the pious hope that they would.

In answer to Frank Hodges (representing the miners), the witness said there were three alternatives to the present state of affairs. One was nationalization; another was ownership by the owners in combination; the third was ownership by owners and workmen. He dared say there was a fourth, which was known as syndicalism, and which meant ownership of the mines by the miners.

Mr. Smillie, in a series of questions, submitted that thousands of lives had been sacrified before mine owners had been compelled to introduce life-saving machinery, such as winding controllers and apparatus for changing air currents.

7. Accidents, John Robertson, chairman of the Scottish Union of Mine Workers, said, killed 55,000 persons in the mines in fifty years. In the last twenty years, 160,000 persons were injured each year, or a total of 3¼ millions. One in every seven is injured each year. "Mining is more deadly than war. The miner is always on active service. He is always in the trenches."

8. Mr. Roberston gave as an instance of housing Hamilton, with a population of 38,000, of whom 27,000 lived in one- or two-room houses. Some of the miners live in some of the worst houses in Britain. With sincere feeling, Mr. Arthur Balfour said, "If the situation is as you describe, it must be put right."

Mr. Forgie questioned a witness about the five-days-a-week policy adopted by the Lanarkshire miners, and asked if the Lanarkshire miner was not unpatriotic in so reducing his work. The witness repudiated the suggestion.

He declared, "The Lanarkshire miner is not unpatriotic. He gave 14,000 men, at a bob a day, to fight the Germans. He considers that in working five days a week he has done his duty by the State, and people who complain of miners not working more ought to get their own coal out and have five days underground themselves."

9. Better conditions increase production. In Durham there is the greatest profit in Great Britain, and in Durham there is a shorter working day than the present act of the miners proposes. It was alleged that brains and machinery could double the production. Low wages and long hours lessen production.

10. The life of a miner. Vernon Hartshorn said:

> The miner never gets more than two hours a day of sun. Every movement he makes in his pit clothes leaves its mark. Twelve years I worked so. I would come home so tired that I lay down on the hearth-stone in front of the fire for hours. In the early morning, to be hauled out of bed was like going to the gallows. One man in seven is injured every year. I have seen six men go out from a little home in the morning, and the six, father, son-in-law, and four sons, brought back charred corpses at evening. Men are blown to pieces. The miner can never ask for an armistice. The miners will no longer consent to be regarded as hands, to turn out profits for idle shareholders. They wish to be useful public servants. State ownership is inevitable. Unless the demand for state ownership is granted, syndicalism or bolshevism will take the place. If this is not conceded at this time, a movement will be under way that will take another form than nationalization. If an increase in the standard of living cannot be obtained, the miners say, "We'll change jobs."

In rebuttal, the coal owners submitted:

1. There is a desire to ruin coal owners, and so create nationalization.
2. Machinery exists for dealing with questions of dispute.
3. Best management in the world in British coal mines.
4. Success spread by private enterprise.
5. Where will capital come from?
6. Sterilize all the knowledge of the directors of collieries.
7. Would give miners preponderant representation. Mr. Evan Williams said, "Do you think any Government would dare appoint any minister of mines without consulting Mr. Smillie?"

8. The gigantic scale of collective bargaining was given as one of the causes of unrest.

9. Kill the export trade.

10. Put up the price of iron and steel.

11. The good manager will say, "Why should I worry to keep my neighbor going?"

12. No poverty among the miners.

13. Conditions for them are being improved.

If this rebuttal seems meager to the reader, it is not so slim as the case of the coal owners appeared to a visitor at the inquiry. The *Daily News* in a special article has expressed it thus:

No one who attends its proceedings can help coming away with the impression that it is the mine-owners, and not the miners, whose case is on trial. So skilfully have Mr. Smillie and his colleagues managed the proceedings that they have become virtually a labor tribunal, before which the coal owners and magnates from other industries have to plead their cause. More than once, especially when Mr. Smillie or Mr. Webb has let himself go, I have been reminded of reports of the proceedings of revolutionary tribunals in France or in Russia. No wonder that one employer, at the end of a long cross-examination, remarked, "I am not at all happy."

This atmosphere arises largely from the frankly challenging attitude which the miners' representatives are taking towards the existing industrial system as a whole—an attitude which is increasingly prevalent throughout the world of labor. Mr. Smillie confiscates mining royalties with a wave of the hand; they are, he says, "stolen property." To arguments about the danger to British trade of granting higher wages and shorter hours, the miners reply that the first necessity is that a reasonable standard of life and leisure should be secured to the miner. In short, if the present industrial system will not bear higher wages and shorter hours, they suggest, not low wages and long hours, but a change in the industrial system. This attitude clearly puzzles some of the employers' witnesses. They do not want, they exclaim, to keep down wages, provided only that they can be assured that trade will not suffer. They cannot understand Mr.

Smillie when he claims that the workers' demand for a reasonable standard of life takes precedence of the "rights of property." "But that is property," said one witness representing the iron and steel trades—and he said it with such an air of puzzled finality that there was nothing more to be said.

Fighting desperately, but too late, the owning class pressed into the second session of the coal inquiry. The Commission ceased to be a laboratory for the collecting and classification of facts, and became the battleground of angry opinion. Economists, statisticians, owners, Earls, Marquises, a Duke challenged, pleaded, and defied. Frank Hodges, the miner, said to Harold Cox, the individualist, "Your philosophy wouldn't count much against the determination of a million men."

All layers of society were probed—strata, imbedded in English life since Henry VIII. England passed in review: classes and castes. One learned what they look like, how they talk, and what philosophy of possession cheers them.

The first session dealt with advances in wages and a reduction in hours. The second session dealt with the future organization and government of the industry. At the close of the second session, the chairman, Justice Sankey, declared for nationalization of the mines, with a form of joint control. Throughout both sessions, the capitalist system was on trial. It was condemned.

The most dramatic, though the least important, witnesses were the noble lords—Durham, Dunraven, Dynevor, Londonderry, Tredegar, Bute, Northumberland. It is easy to show why Smillie was right in summoning these lords. Their examination was a farce. They were bored or surly. Questions on their titles were absurd. But the fact that they had to come when summoned by a miner was a moral victory. And the word of it ran through Britain. Smillie was the lord high executioner, the judge, the people's man, and in the name of the people had issued orders to the privileged class, which they unwillingly but humbly obeyed.

What one felt in the examination was that Mr. Smillie was the gentleman, and that they were just a little caddish. His

wider social experience, knowing the many lives of men, his gentleness of conscious power, his sense of equality, letting pass for a man even a millionaire parasite, all these enabled him to be scorned and patronized and outwitted without at all being defeated, or ceasing to be the head of the table. Smillie let them outplay him and wound him, because every blow they dealt him was aimed at the working class, and revealed their animus. So he was defeated by the lords in the King's Robing Room, but won a victory over them in the nation. Their retorts to his simple questions were swift, skilful, at times witty, and scored a brief success with the immediate audience. But when those answers passed out into the larger audience of the nation, it was found that in winning the skirmish they had lost the War. Such a word was Tredegar's when he said that the military service of the soldiers did not entitle them to land.

The Earl of Durham is gray-haired, with gray mustache and tight-packed lips; a tall, alert man. He owns the coal under 12,411 acres of land. He takes 5 pence a ton in royalties and a penny a ton for wayleave.

DURHAM: No one has disputed my ownership.

SMILLIE: We are disputing it now. I am trying to be as fair as possible, to examine without bitterness. We allege that no title deeds exist that justify your ownership. The State is the owner.

So, one by one, entered and passed the representatives of ancient families: Lord Dynevor, scholarly, pale, shy, with spectacles, stone deaf in the right ear. Lord Dunraven, feeble, on a cane, white hair at sides, and bald top, white mustache, ruddy face. The Marquis of Londonderry, in khaki, with a long head, and a high forehead.

TREDEGAR: [Lord Tredegar, over six feet tall, broad-shouldered, reserved, handsome, bald, smooth-shaven, lean—a quite royal person]: "I am rusty about titles because I have been four and a half years at war, and haven't gone into family history."

Later:

I don't see why service to the country entitles a man to land.

SMILLIE: Landlords claim land because the King gave it for services rendered in war. We wish a more equitable division among those who served in this war.

The Marquis of Bute, a small, dark man, like a Latin, with an abundant, lively mustache, shy, and attractive. He was told that he governed more coal than New Zealand.

The Eighth Duke of Northumberland is a small, homely, freckled, sincere man. He has red hair, which makes a rusty leakage upon his neck, inset eyes, a red mustache. He is lean, hard-working, with a well-concealed but intense core of mysticism. His mysticism blends religion, royalty, property.

"I shall do my utmost in the House of Lords to oppose nationalization," he said. "The Miners' Federation don't want nationalization of minerals. I think they want complete control of land and all industries."

"I am out for taking over land," said Mr. Smillie.

"This plea for nationalization," went on the Duke, "is only a step to something more drastic and revolutionary—the confiscation of land, and so on. I don't think it will stop at nationalization. Joint control isn't the thing."

Sir Leo Chiozza Money asked the noble Duke: "What particular service, as coal owner, do you perform?"

"As owner, no service."

He further said: "I object to miners having the monopoly of coal."

"Is it right for one man to have such a monopoly as you have?"

"I think it an excellent thing."

To the Duke of Hamilton's agent, Mr. Smillie said: "Just outside the wall of the Duke's palace on the west side are some of the most miserable homes in Great Britain. From the Hamilton estate, a large number of miners went to war from

the collieries. This is their country in what sense? The Duke's royalties were defended by miners. Is it not his duty to watch out for miners' families?"

Ways and Means saw most clearly of any paper that every clever answer given by an Earl to Mr. Smillie was a coffin nail in private property, private enterprise, the profits system. *Ways and Means* is E. J. Benn's organ of conciliation, backed by enlightened employers. It said:

Peer after peer has been made to confess that he is the owner of a fortune by reason of the foresight of an ancestor three or four hundred years ago. Lord Durham, for example, is drawing an income of a thousand a week out of ancient land, most of which was acquired by various means by his ancestors in a long past century. Lord Dunraven is a more interesting case. He is drawing an income from coal secured under common land; the surface appears to belong to the public and the mines to Lord Dunraven.

Those like ourselves who are interested to preserve the basis of society and to save this country from the terrors of anarchy and syndicalism will do well to recognize that there is a good deal more behind the cross-examination of these dukes than the mere question of the future of our coal mines. Mr. Smillie, and more particularly Mr. Sidney Webb and Sir Leo Money, with whom he is acting, are engaged in the first serious round of an organized onslaught upon property of all kinds. These mineral rights, wayleaves, and other relics of mediæval barbarism will be held up to the world as representative of property, and the case having been established for restoring to the public the property in the coal under common lands will, if great care is not taken, be skilfully twisted into the case for robbing the owners of other forms of property, such, for instance, as industrial capital.

It therefore seems to us that the interests of industry are very definitely opposed to those of the present owners of land, and the best way to preserve the rights of capital employed in useful industrial pursuits is to disown any association with dukes and landowners.

Here in this second commission, we have God's plenty. Not only do all social classes come stumbling in and plead for lease

of life, but all kinds of knowledge and opinion, the dogmas of the privileged, and the aspirations of the disinherited. Here for sheer competence of fact-knowledge, held in easy mastery and control, we have the incomparable two—Sidney Webb and Sir Richard Redmayne. For the delicate hesitations of the academic scientist, we have a group of economists, with opinions tentative, qualified, unready for a choice of action. Workers' control is debated by Hugh Bramwell, Sir Hugh Bell, Frank Hodges, Evan Williams, and William Straker. Lord Gainford states that the coal owners prefer nationalization to granting any executive control to the workers. Lord Haldane tells the need of educating a new type of public official—an administrator, who will find his expression in serving the community. Miners' wives testify to the conditions under which they live.

On June 6th, with regard to the 112 witnesses who had been called on this particular part of the inquiry, the analysis of the classes of witnesses was as follows:

Coal owners, exporters, merchants, and factors, fifteen witnesses;

Mine managers and surveyors, five witnesses;

Miners and miners' wives, six witnesses;

Consumers, on behalf of employers, seven witnesses; on behalf of the workers, three;

Scientific economists, twelve;

Finance, three;

Costing, two;

State control and Civil Service, three;

Safety and health, six;

Mechanical and electrical improvements in mines, three;

State ownership abroad, five;

And the most numerous class of witness listened to—the royalty owners, twenty-five.

The balance making up the 112 are miscellaneous witnesses, who cannot be conveniently grouped in any particular class.

The *New Statesman* (June 28, 1919) said:

What at present distinguishes the mining industry from most of these other cases is not that it is more inefficient, but simply and solely that *the miners are strongly enough organized and determined enough to make the continuance of the present system impossible.* As fast as the workers in other vital industries take up the same attitude as the miners, and are strong enough to do so with effect, national ownership is bound to follow as a necessary consequence, and Sir John Sankey, or his successors on future commissions, will be bound to recommend national ownership as the only way out of the impasse resulting from private capitalist control.

But the wisest word on the Coal Commission is that of Mr. Justice Sankey in his final report:

A great change in outlook has come over the workers in the coalfields, and it is becoming increasingly difficult to carry on the industry on the old accustomed lines. The relationship between the masters and workers in most of the coalfields in the United Kingdom is, unfortunately, of such a character that it seems impossible to better it under the present system of ownership. Many of the workers think they are working for the capitalist, and a strike becomes a contest between labor and capital. This is much less likely to apply with the State as owner, and there is fair reason to expect that the relationship between labor and the community will be an improvement upon the relationship between labor and capital in the coalfields.

Half a century of education has produced in the workers in the coalfields far more than a desire for the material advantages of higher wages and shorter hours. They have now, in many cases and to an ever-increasing extent, a higher ambition of taking their due share and interest in the direction of the industry to the success of which they, too, are contributing.

The attitude of the colliery owners is well expressed by Lord Gainford, who, speaking on their behalf as a witness before the Commission, stated: "I am authorized to say on behalf of the Mining Association that if owners are not to be left complete executive control they will decline to accept the responsibility of carrying on the industry, and, though they regard nationalization as disastrous to the country, they feel they would in such event be driven to the only alternative—nationalization on fair terms."

It is true that in the minds of many men there is a fear that State ownership may stifle incentive, but to-day we are faced in the coalfields with increasing industrial unrest and a constant strife between modern labor and modern capital.

I think that the danger to be apprehended from the certainty of the continuance of this strife in the coal-mining industry outweighs the danger arising from the problematical fear of the risk of the loss of incentive.

CHAPTER II

ROBERT SMILLIE

THE Coal Commission was Robert Smillie. He created it. His miners nominated four of the twelve members and had the "refusal" or acceptance on approval of two more. It was Smillie who demanded that the first findings should become law (instead of being gently shelved, as has been the way with royal commissions for a century). It was he who made sure that the questions discussed would include profits. It was he who held the witnesses fronting the costs and gains of the industry in terms of the human welfare of the miners.

What can a statistician say when he is asked, "Is it right?" And what becomes of a coal owner who has his profits exposed in one moment, and, in the next, the tuberculous one- and two-room homes in which he houses his workers? The inquiry was outrageous and unfair. What chance had a man who had never been questioned as to his profits, and the absentee incomes of his stock-holding friends—who had dwelt in the secure and favoring play of upper-class conditions, where intimate details are not discussed between gentlemen—against representatives of the miners whose houses have been visited by welfare committees, whose budgets have been scrutinized by expert accountants, whose wives have been taught thrift by the resident Duchess? What fair spirit of sport was it to pit an owner who confessed he could not keep order and good-will among a few hundred of his "hands," against a man who had organized 800,000 two-fisted fighting men into an unbreakable brotherhood, a man who inside of three weeks can change an overwhelming strike vote into a greater majority for industrial peace? In future inquiries, it will be desirable in the interests of fair play that the captains of in-

dustry shall put forward representatives who are measurable to the labor leaders.

Sir Daniel Macaulay Stevenson, ex-chairman Scottish Coal Exporters' Association, chairman of the Committee for the Supply of Coal to France and Italy, member of the Controller of Coal Mines Consultative Committee, and head of the firm of Messrs. D. M. Stevenson and Company, was called:

SMILLIE: I suppose you will agree with me that about 80 per cent of the colliery houses in Lanarkshire owned by the mine owners are not fit to live in and ought to be destroyed.

WITNESS: I have not seen them lately, but they were a disgrace to any country.

SMILLIE: Then they are worse now if you have not seen them lately.

WITNESS: I did wonder whether any new ones had been put up.

SMILLIE: No. No new ones have been put up. If any new houses are put up, unless there is some government subsidy, they will be out of the reach of the miner with a small family. Would you tell us as a social reformer in what way you are going to improve the conditions of our people if it is not by giving higher wages and shorter hours. That is our method. What is it you propose?

Witness appealed to the chairman on the ground that the question was hardly fair.

SMILLIE: But you endeavor to get this commission to report against the miners on the ground that it would kill the export trade.

Said the *Times:*

There will be no difference of opinion among dispassionate readers on one point, which is that of the three parties concerned the miners come out far the best. Their case was better presented, but it was also a better case than that of the Government or the mine owners. We do not say that the miners' demands are justified in full, but the coal controller's department and the mine owners cut a sorry figure.

Ways and Means, E. J. Benn's organ for enlightened employers, said:

Any one who takes the trouble to read the case of the miners as explained by Mr. Smillie to the prime minister must agree that there is no answer to it. It is, of course, possible to argue that sudden changes in wages cause dislocation and have effects far wider than those who ask for them probably understand, but that, after all, is only the argument of expediency and does not affect the bare justice of the case. Mr. Smillie shows that the miner, upon whom the whole of industry depends, has hitherto lived a life of great hardship on a poverty wage, and he is not prepared to continue on those terms. It is as well that these root facts should be recognized and that it should be generally understood that very radical changes must be made. To this extent we are all with the miners.

It is important that the American reader should get Smillie into his mind, because the knowledge will make present happenings and the events of the next five years intelligible. Robert Smillie is the spear-head of the British labor movement. Let me briefly introduce him in picture-postcard fashion:

PUBLIC LIFE

1. Has helped to build up the strongest industrial union in the world (800,000 miners).
2. Was head of it.
3. Was head of the strongest industrial combination yet made, one and a half million men of the miners, railwaymen, and transport workers—the Triple Alliance.
4. Is the most powerful labor leader in Great Britain.
5. Has been three times offered a governmental position.
6. Member of the statutory government Coal Commission, whose findings became law.
7. Forced the government to appoint half the members subject to the miners' approval.
8. Obtained for his miners the largest single wage increase in amount ever granted in Europe.
9. Ended the system of private ownership of minerals in Great Britain.

PERSONAL LIFE

1. Was born in Ulster, 63 years ago.
2. Came to Scotland as a lad and has lived there ever since.
3. Began work in a shipyard on the Clyde at the age of fourteen.
4. Became a collier at sixteen years.
5. Supported a family of six in the year 1888 on 16 sh. 6d. a week.
6. Is a Socialist.
7. Can not be bought by money, or place, or flattery.
8. Has great prestige to-day in Britain, but will destroy it to-morrow if he sees an uncompromising unpopular course to steer which he believes will bring a democratic gain.
9. Has taken part in many commissions of inquiry into serious mining accidents—fires, explosions, floodings. Has gone into many pits for examinations.
10. Takes his relaxation with an old pipe and a game of billiards.
11. Has seven sons—two of whom went into the army, two were conscientious objectors, three worked in the mines. One is now a shop steward.

Speaking for the old order, Viscount Esher writes a book, *After the War,* and addresses it to Robert Smillie (instead of to the public) because "he represents and leads the most advanced sections of the Labor Party." He says:

I have not the honor to know you, but here in Scotland they say you are an honest and good man. Your aims I assume to be pure. You have enjoyed the experience of intelligent participation in improving the lot of your fellow-workers. You see before you, stretching into immeasurable space, a new prospect for those upon whom the labor of the world has fallen heavily. Your sense of duty impels you to take a lead in bringing into relation your considered opinion and the law of the land. You wish, perhaps in arbitrary fashion, to supply the driving force that is required to bring about political and social change, that you believe to be beneficent. I do not share your faith in democracy as a form of government. But we agree in love of our country and fidelity to the men of our race. For their sake, use your influence, to bid your friends and associates pause at

the threshold of these undetermined issues, and to make sure before sweeping away any institution deeply rooted in historic soil that it is in truth an obstacle.

And later, Esher added: "An eminent authority expressed surprise that the prefatory note should have been addressed to a person of whom he had never heard. He has heard of him now. I selected Mr. Smillie as being, so far as I could judge, the leader of the new democracy into whose hands the supreme control of the destinies of our country was about to fall. I see no reason to change my opinion."

Speaking for the Liberals, the *Nation* said:

There are only two personalities in the British trade-union movement to-day round which legend grows and flourishes. One is Mr. J. H. Thomas; but Mr. Thomas suffers as a legendary figure from making too many speeches for much of him to remain unknown. He is a personality, beyond a doubt; but his force depends upon constant expression. He is a powerful speaker, and an extraordinarily able manager of men; but no one, except perhaps Mr. Garvin, could think of him as a "hero." Robert Smillie counts as the biggest man in the labor movement by virtue of just that touch of the "heroic" which Mr. Thomas lacks. He speaks, and speaks well; but his silences count for more than his speech. He has the power of making his presence felt, and exerting his influence, often without doing or saying anything at all. He can do this, not only because, where he does speak, it is usually to the point, but also because his personality can be felt as soon as the man himself is present.

What manner of man is this leader of the miners who, holding no official position outside his own federation, has become the real leader of the industrial labor movement in this country? He is a Scotchman, and he still lives, on the mere occasions when he is able to be at home, in a small mining town of Lanarkshire.

He approaches all problems first as a miner, and seems as if he widened his view to take in other things by a conscious effort. That effort, however, he almost always successfully makes. Otherwise he could not feel or retain his commanding position not only among the miners but in the whole trade-union world. He

belongs, of course, to the "left wing," quite apart from any question arising out of the War. He has been, from the beginning, a Socialist, and has played his part in labor politics without losing his grip of industrial affairs or his close touch with the rank and file of the trade-union movement. He is not loved by the old school of trade-union leaders, because his conception of trade unionism is essentially active and constructive, whereas they often desire nothing better than to continue in the old rut. He is thus a man of ideals as well as a patient worker for their accomplishment.

Those observers who knew only of his newspaper reputation have been surprised at his skill and alacrity in cross-examination on the Coal Commission. He has, no doubt, consciously used his chance for purposes of public propaganda. But, in addition, he has shown an amazing power of asking pertinent and searching questions of every witness. This is no novel development. He has long ago built up a great reputation by his work on other commissions of inquiry, especially commissions on great mining disasters such as the Senghenydd inquiry a few years before the War. He has an excellent technical knowledge of mining and mining law, reinforced by the lessons of a long personal experience. His mind is orderly and logical, and he can be relied on not to lose his clearness of head, no matter how difficult the matter in hand. He knows his job thoroughly, and he never allows his propagandist zeal to get the better of his cautious judgment.

He is growing old, of course; and often he gives the impression of being ill and tired. For years he has been constantly overworked endeavoring to deal at once with the affairs of the Scottish miners in Lanarkshire and with those of the Miners' Federation in London. Now he will be fixed permanently in London, and his vigor and power of work should be largely increased. His absences in Scotland have always prevented him from taking the place in the administration of the labor movement nationally which belongs to him by virtue of influence and personality. In the future he will probably play a much bigger part, not only in the affairs of the miners, but in those of labor as a whole. That he is needed no one can well doubt—the labor movement requires above everything the force of a personality strong enough to co-ordinate its isolated groups and infuse it with a clear vision and a common policy.

The *Observer* in a special article says, "One of the greatest barristers of the time has said that Robert Smillie's cross-examinations have been brilliant." Speaking for the landed Tories, the *Morning Post* says, "Unquestionably the two most powerful figures on the Coal Commission are the chairman, Mr. Justice Sankey, and Mr. Smillie, the dour, sour, and moody, but very able leader of the miners."

Benjamin Talbot, of the National Federation of Iron and Steel Manufacturers, is on the stand: Mr. Smillie elicited from the witness that the wages of the iron and steel trade were largely regulated by a sliding scale, and that since the outbreak of war wages had been increased 100 per cent, while the working hours were now being reduced from twelve to eight.

SMILLIE: Did you ever hear of the wonderful phrase "scientific management" in America?

TALBOT: Yes.

"Scientific management" means the largest possible output at the smallest possible cost?

Cost per ton.

The smallest possible cost means the smallest wages to the worker?

No, they get higher wages in America.

It requires four tons of coal to produce a ton of steel. Can you tell me what the royalty on coal is?

Sixpence per ton.

So that the idle class gets 2sh. out of every ton of steel manufactured. Have you any idea of asking that that burden should be taken off?

That is property.

Oh, yes, property is sacred, but life is not sacred. You are anxious to prevent miners from having shorter hours and higher wages, because it will ruin the country, while the idle class, who have never been down a mine to produce coal at all, and have never seen a mine, are getting 2sh. for every ton of steel produced. Is that not a burden on the steel manufacturer?

Yes, but I say it is their property. You cannot confiscate it.

Well, it is stolen property.

That is a matter of argument.

Which is the more humane: the abolition of royalties or the granting of better conditions to miners?

The humane part, of course, would be the miners.

I do not say for a moment that the workers in the iron and steel trade are too well paid, but is it fair to come here and say that your own workers' wages have been increased by 100 per cent and their hours reduced one-third, and then oppose any claim so far as the miners are concerned? Is that altogether fair? Are you happy in coming here?

I am not happy at all.

You are representing a very large number of shareholders, directors, and people of that kind?

Not many directors, but two or three times as many shareholders as workmen.

Do you know if any of them have an income of less than £500 a year?

I cannot tell.

Are there any of them who have an income of £20,000 a year?

I do not know.

Do you know anything at all about them?

I do not know their private affairs.

Do you think it fair to keep practically in starvation and housed worse than swine people that you admire?

I hope it is not starvation, Mr. Smillie.

It has been in the past.

It is with amusement that the trade-union world reads of this "discovery" of their leader. They have known for ten years that they had a representative who could match the leaders of any group. And the discovery matters not at all to Bob Smillie, who walks unrecognized to his day's work down Southampton Row, buys matches of the paralyzed soldier in front of the Imperial Hotel, smokes his aged pipe, and listens to what the other man tells him. He is still the simple miner, though president of the federation of the "God Al-

mighty Miners"—the roughest, strongest, merriest of the workers of Britain, who take their pleasures fiercely, not seeing much of the sun. He has given a new set to the labor movement of Britain. He converted his miners to nationalization, preached workers' control, and yet steered them clear of the syndicalist myth. He won the eight-hour day for them, has just won the seven-hour day, and by 1921 will have for them the six-hour day. He is a hater of war who can silence a mob, and who is believed in by the largest following any labor leader has yet had.

The *Herald* says:

> You see these things as Smillie sees them, quick and vivid, and anger rises in your throat at the horror of perils unaverted and the shame of reward unpaid. When he speaks it is as if the inarticulate millions spoke through him. He insists not on the profit or loss of high wages but on the shame of not paying them; not on the wisdom or unwisdom of good conditions but on the crime of not conceding them. He does not argue—he states, and each statement stabs like a sword-point. He asks no mercy and shows none. I think his eyes have always before them the sordid lives and heartbreaking labor of those men in the dark underground who breathe the fetid air in which horses may not live and men must.

I have been told by those who have followed him around in the lodge meetings how a hush falls on the group when he comes in; the little mark of respect of strong men for the greatest leader of their time. The rank and file has had two recent opportunities to register its opinion of Smillie. One was in electing a full-time president; Smillie's majority was overwhelming. The other was in electing representatives for the Royal Coal Commission, men who should determine the policy and future of the industry; Smillie and two men in sympathy with his ideas were chosen. On recent figures, "Bob wishes it" gives a vote of 75 to 90 per cent in favor; "Bob will not like it" totals 90 per cent against.

The *Weekly Dispatch* says:

In his dress and general appearance Smillie is plain to the verge of shabbiness. In an old gray suit, a heavy top-coat and light felt hat, he presents anything but an uncommon figure. It is only on looking closely into his face that one realizes the great character behind the grim, set face. It is no secret that when public control of the mines takes place Smillie will have a leading part in whatever executive is established.

The head of 300,000 transport workers, Robert Williams, writes, "The one man who can above all others inspire us with confidence and therefore direct the storm is Smillie—the man with the proletarian instinct."

The "unofficial rank and file" movement, which has torn the engineering trades into temporary disarray, helped to supply driving force to the Miners' Federation because their chief was not an isolated official but a humble-minded member of the movement, who keeps in step with the young generation.

A writer in *Ways and Means* (June 14, 1919) says:

The feature which commands the homage paid to him is his class temperament and the enduring fealty which springs from it. He has not merely sympathy with the proletariat; he has fellow feeling. He can be trusted implicitly; he is constitutionally incapable of defection.

There is one trait in Smillie which the workman most reveres. He has attained to high distinction, has become a power in the land, and still he lives in the little house in Larkhall which was his home in the days when he was an obscure working miner. It is a neat wee house, now his own property, built for about £70 many decades ago by a building society, its original two rooms multiplied by extensions to four as the family—after the fashion of miners' families—increased to seven or eight children. The house stands in the village street, a clean respectable "row," but unmistakably a "row." Here Smillie may still be met of a week-end, playing the homely host to his multitude of local friends. He signalizes his escape from the Robing Room atmosphere by discarding cigarettes and briars for the plebeian clay pipe, and assumes the garb proper to the miner seated at his own fireside

at the close of his day's work—the old pair of trousers and vest with the shirt sleeves rolled-up.

He is the canniest negotiator on conciliation boards whom the owners have to face. He can outpoint them on knowledge of the industry, and he has an instinct for knowing when to yield and when to hit hard. His alone of the thirty-three great unions of Britain kept its workers clear of the Treasury Agreement of March, 1915, when Lloyd George induced the labor leaders to sign away their power. Again he struck hard in the name of the Triple Alliance when the Government was going to introduce coolie labor. He warned Mr. Asquith, and the cheap labor did not come. With the same skill he accepted the decisions of the Coal Commission and held the miners from striking.

His instinct as a trade unionist is greater than his instinct as a politician. His judgment in politics lacks the long experience of his industrial life. So he sometimes takes extreme positions which offend the middle-of-the-way Briton. His attitude on the War would have wrecked another public man in Great Britain but it did not lose him one follower.

He has a curious modesty; perhaps it is timidity. He does not like to enter new activities; he likes to move in the areas of his proved competence. Thus, he has in time past refused election to the Parliamentary Committee of the Trades Union Congress. And yet he could have made that body into a fighting force, instead of letting it continue year after year a respectable, powerful, useful, but slow-moving group. Mr. Smillie said to me, "Some of the trade-union leaders have thought their function is that of brakeman, to lessen the speed of the movement. But I think that the leader's job is that of stoker, to bring fire and driving power."

He has a native gift of simple English that rises to "rugged eloquence," as the *Daily Mail* says. When he protested against the blockade because it was starving German children, I heard him say, "It was a disgrace for Germany to kill by hellish machines of war our women and children. It is a disgrace for us now to starve the babies of Germany. All

children are our children. Yea, and I think of the aged people; the rank and file who are like ourselves." When Smillie forced Lloyd George to act, he said, "The mine owners say, 'We invested our money in those mines and they are ours.' I say we invest our lives in those mines. . . . We say the miner's time should start when his risk starts. . . . When we are burning coal, either in the domestic grate or for steam-raising or for any other purpose, we are really burning the lives of men. As the old song 'Caller Herrin' says, 'Ca' them lives o' men'—because of the risk in getting it."

Burns and Scott, Dickens and Shakespeare, have been his reading. He knew Keir Hardie, and has felt his influence through many years. Smillie is a Socialist of the "left," a member of the Independent Labor Party, an untiring preacher of the new economics. Thus, "I found," he commented, "that we were cutting coal at 10 pence a ton while a certain Duke was drawing a shilling a ton royalty, and making £210,000 a year out of it. It occurred to me there must be something wrong. . . ."

When a witness at the coal inquiry spoke of the high cost of building a ship being due in large part to wages, and therefore that the immense profits to shipowners were justified, Mr. Smillie pointed out, "But the wage-earner receives only one chance, and the profits of the ship continue to come." Said a dapper witness, a city man, "Oh, the Miners' Federation and the miners are not the same," and said it with a giggle and a smirk to the side. "The Miners' Federation are the miners," said Smillie, looking straight at the man. He squirmed, blushed, and went silent. One does not contradict a natural force.

Mr. Smillie leans over the table and watches a witness testifying to the conditions in which miners work and live, seeing his own past days. Particularly as he listened to Vernon Hartshorn and to John Robertson (of the Miners' Executive), he seemed to glow till he was incandescent. He gathers himself slowly, his voice husky as he opens his cross-examination, then booming at its height, but always with a refrain in it of sad and bitter experience: something ominous,

and yet something tender, in the tone. He is tall and gaunt. His frame is stooped from threescore years of struggle. There is an overhanging quality to him—in his position at the table, in his shoulders, his nose, his eyebrows. His face is seamed from early hardship, with a line down the forehead, and the nose, strong and large, slightly aslant. His is the saddest face I have ever seen, but it is rugged. No one is awkward who has no self-consciousness, and there is a rhythm of natural motion to him in every gesture and as he walks. After the first day, no one doubted who was head of the Coal Commission. The pity of it is that he isn't twenty years younger; great power has come to him when he is old and is indifferent to it.

The whole personality is full of suffering, and the voice has a cadence of wistfulness, but the man is set in granite, with a fighter's jaw. He talks to premiers as man to man, and no mob has yet howled him down. He is the voice of a million and a half men, and he will be heard. When he is talking quietly along with you, he suddenly sinks into a silence. And then in a moment he will come up to the surface out of that deep still pool in which he lives his real life. When I see him, I think of that line of Carlyle's about the inner life of the old warrior king, "a great, motionless, interior lake of sorrow, sadder than any tears or complainings."

To the miners, Smillie is a symbol of their dark life underground, and of their climb to the sunlight and to power. "Bob will not like it," says a miner at a lodge meeting, and the proposal is squelched. There was a meeting where a famous labor leader was making an attack on the miners, because the leader's union had lent money, as yet unpaid, to the miners. Smillie rose from the balcony over the speaker's head, walked to the balcony rail, and said, "What the miners owe, the miners will pay." It was as effective for the flamboyant orator and the audience as, "I bring you peace with honor." The moral authority of Lincoln or Mazzini was not in the words spoken or the acts achieved. It rested in the deeper and unconscious being below the threshold. So it is not possible to chart the slowly gathering force of Robert

Smillie, which, day by day, asserts itself increasingly over keen minds like the leaders of industry and the Government experts at the Coal Commission. It has taken him sixty years to burn his way with a slow fire into the consciousness of Great Britain. The moral authority can be very simply explained. He speaks from a deeper level of being than other men. He was fortunate in being born a man of the common people, who would understand him and follow him. He is misunderstood by the "general public," which wishes a facile opportunism. Speaking of tragic things (of 1,200 deaths a year in the mines, of 150,000 accidents) he troubles our lighter moods. But to those that know him by shared experience, his leadership is unshakable. Keir Hardie had the quality of making large masses of men follow his lead because he believed in men, and Keir Hardie is dead. Of the living labor leaders of England, Smillie is most like him. The future is nearer in Britain than elsewhere. It is just over the horizon line. I heard Smillie say to a labor group, "I am hopeful, aged as I am, to see a free electorate. With us are all the best of the thinkers of the country." This sense of a coming emancipation is strong in him. He believes he is leading men in the last charge of all. And with that is the knowledge that he cannot be touched. The day is gone forever when a champion of democracy can be jailed or silenced. Smillie is like Debs in his fierceness for justice, his forthright speech. But he lives in Britain, not in America. Some millions of men would rise if hands were laid on him. As they say in Scotland, "The heather would blaze," and out of Scotland and Wales, Durham, Northumberland, and the 3,000 mines, a fire would come that would not die down. He carries always this sense of the multitude that backs him and the promised land just ahead.

Toward the end of March, 1920, the cable brings word that Smillie has resigned from the presidency of the Miners. But, living, he can not remove his personality and influence from the movement. And not even death would undo his work, nor utterly quench the forces released by his prevailing will.

CHAPTER III

THE NATIONAL INDUSTRIAL CONFERENCE

FEBRUARY 28, 1919

I

YESTERDAY the peace parliament of employers and workers convened by the British Government met in the Central Hall. Five hundred workers were present and three hundred employers. The workers represented general workers, the Triple Alliance of miners, transport workers and railway men, the engineering trades, shipbuilding, cotton, and also those trades which have been gathered in under the Whitley council scheme. Of the Whitley councils Sir Robert Horne, the new Minister of Labor, said, "The great positive reform to which one looks with the most hope for the prevention of industrial disputes in the future is the scheme which Mr. Whitley's committee submitted to the country not long ago. There can be no question at all that the whole movement of modern life is in favor of the workmen being allowed some share in the control of industry in future." But it was noticeable at this parliament of producers that the Triple Alliance brought in its own separate proposals, and that the Amalgamated Society of Engineers refused to be bound by any action taken at this conference.

The Whitley councils, in other words, while they have already been set up in twenty-six organized trades and are about to spread out over twenty-four more, so that already they are covering the working activities of two and a half million persons, have nevertheless failed to prevail in the storm centers of the industrial world. They have not taken hold of the miners, railway men, shipbuilders, engineers, and

cotton spinners and weavers. Conciliation has only been accepted as the necessary climate of these next months in those smaller occupations which are not the pivotal industries of Great Britain.

The conference may be the result of a suggestion which Mr. Clynes has been pushing ardently in recent weeks for what he calls an industrial council—a council of all the trades employers and unionists. It will be seen that this gathering together of all producers in industry amounts to a super-Whitley council. We have the shop committee, the works committee, the district council, the joint standing national council in the given industry which has come in under the Whitley scheme, and now finally we have this collection of all the trades which have come in under that scheme. Thus gradually some sort of organization is being attempted in the industrial arena, comparable to the organization of the State for matters political.

The resolution passed by the conference reads:

That this conference, being of opinion that any preventable dislocation of industry is always to be deplored, and in the present critical period of reconstruction may be disastrous to the interests of the nation, and thinking that every effort should be made to remove legitimate grievances and promote harmony and good will, resolves to appoint a joint committee, consisting of an equal number of employers and workers, men and women, together with a chairman appointed by the government, to consider and report to a further meeting of the conference on the causes of the present unrest and the steps necessary to safeguard and promote the interests of employers, workpeople, and the state, and especially to consider (1) questions relating to hours, wages, and general conditions of employment; (2) unemployment and its prevention; and (3) the best method of promoting co-operation between capital and labor.

As industry draws nearer to organization and a constitution, it is interesting to see its constituent parts. Those invited to yesterday's meeting were:

(1) All Joint Industrial Councils. These bodies, which are created in pursuance of the Whitley scheme, are established only in industries in which both the employers and the workpeople are well organized in their respective associations, and they consist of equal numbers of representatives of associations of employers and trade unions. They cover 26 industries.

(2) All Interim Reconstruction Committees. These committees have been formed in industries where, owing to various reasons, progress towards the formation of joint industrial councils has been slow. They also consist of equal numbers of representatives of associations of employers and trade unions, and they cover 35 trades.

(3) All Trade Boards. These are composed of representatives of the employers and workpeople, with several nominees of the minister of labor. Their primary function is the fixing of legal minimum rates of wages, but they also deal with industrial conditions generally. They number 13.

(4) The Parliamentary Committee of the Trades Union Congress. This represents more than 4,000,000 members of British trade unions.

(5) The Parliamentary Committee of the Scottish Trades Union Congress. This represents about 250,000 members of Scottish trades councils, Scottish sections of British trade unions, and trade unions with a wholly Scottish membership.

(6) The General Federation of Trade Unions. This represents about 800,000 members of trade unions federated mainly for financial purposes. Most of the unions are also affiliated to the Trades Union Congress.

(7) The National Alliance of Employers and Employed. A body formed at the end of 1916 to promote co-operation of employers and employed for the welfare of the workers and the efficiency of industries.

(8) The Federation of British Industries. This organization comprises over 800 individual manufacturing firms and about 170 trade organizations, representing over 16,000 firms in many trades. It was formed since the outbreak of the war to promote the interests of the manufacturing industry, and it is allied with the British Empire Producers' Organization, the British Imperial Council of Commerce, and the British Manufacturers' Corporation.

(9) Employers' Federations and Trade Unions Covering the Following Trades: Coal-mining, iron and steel, engineering and shipbuilding and ship-repairing, cotton, boot and shoe, railways, docks, and other transport, printing, explosives, lace, tinplate, heating and domestic engineers, and general workers and women workers.

Among the eight hundred delegates it was impossible to discriminate between workers and employers, except for "Bob" Williams in a class-conscious flannel shirt and muffler. Sir Allan Smith, president of the Engineering and Employers' Federation, might have been taken by a visitor from Mars for a pale, intense, sincere Clyde revolutionary. And the traveler from New Zealand would have selected Thomas, Brownlie, and Stuart-Bunning as millionaire proprietors, shrewd, far-seeing, conscious of power.

Yesterday, just across the street from the Central Hall, Princess Pat was being married. A large crowd was outside the Abbey as the delegates emerged from the grim debate; and Princess Pat appeared, a princess no longer, having stooped to a union with the second son of a Scottish earl instead of mating with the son of a royal house. It was the final gesture of royalty, coinciding with the advent of the workers to a share in power.

II

The first half of this chapter is left with the date line and the text as it was then written. So, a truer picture (moving picture) of changing events is given. The conference was born in hope. An excellent report was issued by the subcommittee. It will be found in the Appendix. And a strong statement was made by the trade-union half. This also will be found in the Appendix. But of results the summer saw none. Labor began to suspect that the conference, like the Coal Commission, was one more of Mr. George's flashing improvisations—a way of getting rid of difficulty by postponement.

In October the trade-union side of the Provisional Joint Industrial Committee issued this statement:

Apart from the proposal to form the National Industrial Council, the most important of the recommendations unanimously agreed to by the employers and Trade Unionists were those dealing with hours of labor. It was agreed that a Bill should be introduced, laying down a maximum 48 hours' week, with provisions under strict safeguards for variation of the hours in either direction, and that this Bill should "apply generally to all employed persons." This recommendation, together with others, was unanimously accepted by the Second Industrial Conference, which met on April 4th.

The whole time between April and now has been spent in a vain endeavor to get the Government to accept these joint proposals. The main difficulty has arisen in connection with the Government's desire to exclude altogether from the Hours Bill certain classes of workers, of whom the most important are agricultural workers, seamen, and supervisory workers.

Apparently this Industrial Council is to fade. But industry immediately and imperatively needs some sort of functional representation. The Parliamentary Committee of the Trades Union Congress is too feeble a body.

A careful Government study of the Whitley councils, as now operating, will be found in the Appendix. It will be seen that they are serving a purpose in establishing wages and hours. "A case—a very real case—can be made out for them in the matter of wages and hours," said J. J. Mallon (in November, 1919).

But they have not functioned in "workers' control" to any such extent as the creators of them hoped.[1] Such persons as Mallon, J. A. Hobson, and F. S. Button fashioned them to be a training ground in responsible administration of working conditions, the processes of production, "discipline and management," the allocation of raw material. Instead of

[1] The Builders' Parliament has been the finest flower of the Whitleys as well as one of the roots from which they sprang. The Builders' Report will be found in the Appendix.

expanding in these directions, the councils have tended to concentrate on wages and hours. They have been tardy in forming District Councils and Workshop Committees. In certain instances, they have left all the stiffer work to the old Conciliation Boards, and have regarded their own function as a sort of welfare committee. In other instances, such as the Woollen Board, the vital questions have been handled by a group outside the Whitley council in which the workers were a minority and steadily voted down. In other instances (such as the Packing Case Makers and the Bakers) one side or the other has—at least, temporarily—withdrawn.

For all that, sections of labor have found a redress in Whitleys which they never knew before. The fair-minded student will give them at least two years more of experimentation, before ruling them out as impotent. They are now serving as slightly improved Conciliation Boards.

If the Whitleys survive, they will demand an all-inclusive body, to tie together their activities. They will demand some such body as this half-realized Industrial Council.

Harold Laski (in Chapter I, Section 7, of *Authority in the Modern State*) writes:

> Provision must be made for some central authority not less representative of production as a whole than the state would represent consumption. There is postulated therein two bodies similar in character to a national legislature.

The extremist view is always of value in shapening the issue. Mr. Tom Mann, secretary of the Amalgamated Society of Engineers, was quoted in the *Daily Express* of November 14, 1919:

> I do not want to attack Parliament. It is too silly a game. When we have in our own hands what we want, Parliament, so far as I am concerned, will be welcome to go on dealing with what is left over. Do not forget that we are 90 per cent of the crowd, and when we get going Parliament will be left high and dry.
>
> My type of man does not expect to see any parliamentary insti-

tution improved. I am in agreement with those who contend that Parliaments, as we have known them, have served their purpose.

Present-day evolutionary developments in industry demand at least the supersession of the existing sectional trade unions, and the recognition of the fact that for concerted action to be really effective the whole field of a given industry must be the area on which action must be taken.

Our power, when it is obtained, would be primarily one of organization, and in many instances that would manifest itself at the discussion table, and the manifestation would suffice. If not, organization by industry implies a co-relation of all such industrial organizations with a common understanding among all workers in the country.

I am not anticipating anything in the nature of a big crash. There would not be much chance for any alternative policy by the time our organization was complete.

National Industrial Council, the Whitleys, the Parliamentary Committee of the Trades Union Congress, are all part of the one problem: How shall the forces of production—the trade unions as they become all-inclusive of the workers—function through a central authority?

Industry has been a lawless affair in Great Britain. The trade unions have grown in power until they include in their ranks over 60 per cent of all wage-earning men. Keeping step by step with this growth in numbers has come an increasing consciousness of power. It is the power of producers. But unfortunately the modern State has only worked out its machinery for the representation of consumers. As a result the worker has had to act lawlessly outside the channels of government. Thus, the bankers and business men have formed their local Soviets, known as Chambers of Commerce, and through them have brought pressure to bear on Parliament. Similarly, when Mr. Robert Smillie, representing the Federation of Miners, numbering 800,000, wanted to get something done he did not go to his parliamentary representative. He went and called on the Prime Minister and got it done.

The employers had become as anarchistic as their employees and many of them were speaking of the business or factory "as my business, my factory." These employers had gotten the idea that both the worker and his work were a commodity to be bought and sold in the open market. They failed also to realize that the product when finished by the factory did not actually belong either to the so-called owner nor yet to the workers, but that it is the product of the community, on which the first charges to be levied are those for the labor spent in its creation, both of hand and brain.

The year 1913 and the first half of 1914 saw these two lawless forces of employer and employed marching up ever closer to a battle which would have tied up England, would have destroyed the power of production and lessened the national income. Then came the War, and with it a great wave of patriotic feeling on the part of the workers. So keen were they to help that they signed away the rights and protections which it had taken them a hundred years of struggle to create. The employers were able to temper their own patriotism with a due measure of self-regard and obtain the right to an increased profit of 20 per cent over the piping days of peace. The workers responded to this class consciousness on the part of the great owners with the Shop Stewards' movement and the ever-growing demands for workers' control.

As Frank Hodges, secretary of the miners, says:

A careful and far-seeing statesman would foresee the whole of the possible developments along these lines for the next ten or fifteen years; and *he would make provision for creating institutions* which would give a natural outlet to these desires. So keenly is this aspiration feared by the employing classes that they would willingly declare an armistice in this fight. They have, in fact, offered an armistice in certain industries, and they propose a remedy which will give the workmen some outlet for their desires. They come forward with the proposition of Whitley Councils, co-partnership, profit-sharing. A thousand and one schemes are afoot which purport to give the workers some form of con-

trol, but which, upon careful analysis, only make them more amenable and more useful in the prolongation of the capitalist system. There can never be any equality, there can never be harmony (whilst we do not quarrel with individuals), there can never be any real brotherhood existing between those who buy our labor and those who have to sell.

But the institutions have not yet been created.

CHAPTER IV

YOUTH AT THE STIRRUP.—THE LABOR PARTY CONFERENCE AT SOUTHPORT

[Historically, diplomacy has been the last phase of civil government to yield to democratic control. With the rise of social and economic, no less than dynastic and military, factors in international relations, we are witnessing a shift throughout Europe to what President Wilson called the "counsels of common men." Since the days when a group of British textile operatives sent their message to Abraham Lincoln that they were with the North on the slavery issue, whatever the effect of the blockade and the stand of the British cotton trade, British labor has groped towards some part in foreign policy. At the close of June, at Southport, the British Labor Party broke the precedents of twenty years in the political labor movement in England, and called on the trade unions to prepare to bring direct action (strikes) to bear on a political issue. That issue was one of foreign affairs—self-determination in Russia. What direct action on the British plan means—as distinct from revolutionary strikes on the Continent—is interpreted in these dramatic debates on nationalization of the mines (political interference with a primary industry) and Russian intervention (industrial interference in political policy). They registered a new stage in the relations of the political and industrial arms of the British labor movement.]

I

THE first annual conference of the British Labor Party since the armistice has built its program for the coming year. The conference moved decisively to the left, but it is a left of

the British brand. British labor is not a revolutionary minority European sect; it is a great organized group that expects to take over the Government within a few years. It made its fighting issues:

1. To nationalize the mines (as the first step in the nationalization of all the great public utilities).

2. To end intervention in Russia, by direct action (of the British brand).

This conference was held at Southport—that summer city on the western coast—on June 25-27. The conference moved to the left because Smillie and Hodges moved it (stated in terms of personality). Or, stated in terms of economic power, it moved to the left because the Triple Alliance drove it. Smillie has given the lead to labor, politically and industrially, by his victories in the Coal Commission. And only second to him is the brilliant, moderate young miner, Frank Hodges, who in a speech of five minutes spitted Ben Tillett, the old dockers' leader, who preceded him, and overthrew John Robert Clynes, former food controller, who followed him. Hodges pleaded for direct action (of the British brand) on Russia, and carried the convention by a majority of 958,000 votes. Henderson, through a cold, had lost about three-quarters of his voice, which reduced his volume of tone to that of other delegates. And with the passing of his cast-iron bass, he seemed to have lost a little of his alertness and strategic intuition. He and the others of the Labor Party Executive were ill-advised in not immediately accepting the Hodges statement as party policy. The vote rolled over them as it rolled over the right. And now they must accept it. There is an accent to victorious youth that ought to be recognized at the first hearing. The young are not in the saddle, but their foot is on the stirrup.

A year ago, in a time of division that split the middle-class parties, Clynes, Henderson, and Thomas represented the healing and concessionary elements which made labor cohere. This year Cramp (with his 450,000 railwaymen), Smillie and Hodges (of the miners) were the forward-pushing leaders

behind whom two million out of the three million men represented took up the new lines.

When the conference turned to such issues as conscription, Russia, the blockade, the peace treaty, it became clear that so far as the British workers are concerned the War is over. The old wounds dealt and received by "jingo" and "pacifist," "knock-out-blow" and "negotiation" are healing. Indeed that was evident before, at the annual meeting of the transport workers, when the scarred warrior, Ben Tillett, made a brave speech calling off his feud against the German people. And the Labor Party now gave great applause to Ramsay MacDonald, for the best speech he has made in five years, when he urged a real league of nations and the acceptance of Germany within it, and the cure for hate, and the healing of the nations. Only one dissentient to an anti-blockade resolution among nearly a thousand delegates was heard—the staunch and famous leader of the dockers, James Sexton. But the conference refused to listen to him, and he subsided into that grim humor which carries him through these piping days of peace when he is left stranded on the extreme right—the last of the Die-Hards and Bitter-Endians.

Then, in the true English tradition, to balance all that thrust and dynamic, the delegates elected, at the head of the poll for the Executive Committee, Sidney Webb, sane, constitutional, who works to have the social revolution come as gently as a change of clothes.

The British Labor Party has added a half million to its paid membership and now numbers 3,013,129. The trade unions send 2,960,409. There are 389 trade councils and local labor parties, and 4 Socialist societies. The membership of the Socialist societies is 52,720; but of that membership 80 per cent is trade union. Ben Tillett estimates the trade-union membership of the British Labor Party to be 99 per cent of the total membership. In 1914 the membership was 1,612,147. In the four years of war, the party, instead of splitting like the Liberals, has almost doubled its membership. At the recent general election it polled a vote of 2,244,-

945. Its earlier election vote was 505,690. W. H. Hutchinson, of the Amalgamated Society of Engineers, was elected chairman of the party for the coming year. He has a well-balanced trade-union record for a generation.

Ramsay MacDonald received forty-six separate nominations, and was unanimously re-elected treasurer. Arthur Henderson remains secretary, the leader of the party. The elements of right, center, and left are so blended in the Executive Committee,[1] that all one can say is that it is representative of the entire labor movement.

The European right has been waiting for the lead from British labor to quash the Eastern left that takes its inspiration from Lenine. And the Italian and French left have been waiting for a strike lead from the British left. Neither side got satisfaction. British labor agreed to join Italian and French labor in holding demonstrations against Russian intervention on July 20 and 21. That is the British substitute. "Demonstrations" meant orderly meetings on Sunday and Monday, as a constitutional release for wrath.

On the last day of the conference, a loud-lunged group of ex-soldiers in the gallery bellowed the proceedings to a standstill till they received the promise that their friend, Bob Williams, should address them on pensions and wages. The episode is one of many hundreds that reveal the state of mind of a type of returned soldier. He demands immediate changes. To get them he will resort to direct action. The War has imbedded violence in his consciousness. This is a dangerous element in the State; it will require all the tact and the fundamental sanity of the labor leaders to canalize this unruly force. During the War it could be aimed against the enemy; now it is being aimed against institutions, conventions, and persons. In private life, it has taken expression in crimes in so large a number of cases that one police commissioner has issued a public warning. Williams is at

[1] The women members are Dr. Ethel Bentham, Mary Macarthur, Mrs. Philip Snowden, and Susan Lawrence (a member of the London County Council).

this moment busy on a program with the Ministry of Labor to meet the demands of discharged disabled soldiers. It is interesting that the Government has to call on labor leaders of the left to save constitutional government from grave disturbance.

Labor's vote for direct action on Russia means a series of steps through the Labor Party Executive, Parliamentary Committee of the Trades Union Congress, delegate meeting of the Triple Alliance, the Trades Union Congress itself, and, finally, through the rank and file vote of each union. Labor is well aware that minority action could hold up the business of any government. But the Labor Party does not wish to be scuttled later by its own mutineers. So as it draws near to its day of power, it quits thumbing its nose at authority, and calculates the distant effect of its present action.

Such is a summary of the conference. There was nothing wild. But there was profound feeling concerning Russia, a feeling which, should the Government disregard it and continue to send supplies to the anti-Bolshevik generals and admirals, will (not immediately but ultimately) lead to sectional strikes. There was a "feeling" that a general election will come fairly soon, and that the miners have supplied a fighting electoral issue in "nationalization." There was a demand for radical leadership, as expressed in the greeting to such men as Cramp, Smillie, Hodges, and Williams. It is in the main the trade unionists who are heading the swing to the left, and not alone the political Socialists (as in the past).

But underneath this shift one feels the caution of the British temperament. At least one-quarter of the leaders are of the old wages-and-hours type, to whom swift change is distressing. In addition, there is that immense mass of silent voters who go only as fast as they are convinced. The result will be no sudden political overturn. Election by election the workers will continue to gain seats, till one day the half-way mark is crossed and the balance of political power has passed to them.

II

The nineteenth annual conference of the British Labor Party gathered in the Palladium Theater—a "palace of varieties"—a large modern building with a red-glowing interior, which seated delegates on the main floor, and over five hundred visitors in the gallery. The last half hour before the leaders arrived, carpenters and electricians were tinkering with the press tables. A local musician sat at the great organ and filled the building with his music from the Offenbach Barcarole and from Italian opera, submerging us in deep chords. As the delegates gathered, one was impressed by the success of the movement. It is a long stride from the day when labor met in the gloom of the Lambeth Baths. The free gift of the Palladium was one instance, the presence of Southport's mayor in full blue regalia another.

J. McGurk, of the Miners' Federation, sought as chairman to set the keynote by his address, which, like a king's speech, is supposed to be a composite of the responsible beliefs of the full Executive Committee. McGurk is a square, burly, witty Irishman. He would shine in a mass meeting or a small rough-house group; but the present area was slightly beyond his range. He attempted to harmonize differences, but his address rather served to reveal the temper of the conference on Russia, conscription, and direct action. He said:

We all deplore the Bolshevist excesses. We all decried the czarist excesses, but the British government did not assist the 1905 revolution by sending men, munitions, and materials to those who were fighting the battle of democracy against autocracy. . . . So long as this policy of intervention in Russia is pursued, there can be no question of disarmament, and the alleged need for retaining conscription in this country will remain. If the government counts on being able to bluff the workers indefinitely on these lines, it will be sadly disillusioned. I do not say this by way of a threat; it is a simple and common statement of fact: the workers of Great Britain will not have conscription, and we

shall resort to every legitimate means to bring about its withdrawal.

In the reception of this passage, it was plain that the chairman was playing on a live nerve of the majority present. The feeling deepened as he went on:

A movement is already afoot to employ the strike weapon for political purposes. This would be an innovation in this country which few responsible leaders would welcome. . . . We are either constitutionalists or we are not constitutionalists. If we are constitutionalists, if we believe in the efficacy of the political weapon (and we do, or why do we have a labor party), then it is both unwise and undemocratic because we fail to get a majority at the polls to turn round and demand that we should substitute industrial action. . . . It appears to me to be less likely that they will be ready to give their adhesion to industrial action to enforce political demands and ideas. It would therefore be a misfortune if the movement were to be torn asunder by efforts to force the adoption of the strike policy for political aims.

It was clear from the buzz of comment and interruption that the delegates were determined to deal with Russia and direct action. Their repressed feelings began to come through. The liveliness started when the report of the Executive Committee was read. A paragraph told of sending a telegram of welcome to President Wilson. A delegate of the (anti-war) British Socialist Party, William McLaine, protested. He said:

President Wilson is the commercial traveler for American capitalism. It is necessary for him to speak as if he were an idealist, and thus to be used by the Allied imperialists to obtain labor support in their own countries. The old phrases of annexation would not have availed. In America, in President Wilson's own country, Socialists and labor men are in prison, such men as Eugene Debs and Victor Berger. Let President Wilson speak when his house is in order. Labor will do well when it relies on itself instead of on President Wilson. He came into the War

when American capital was committed and ready to come. His policy is opposed to that of the working-class.

Arthur Henderson here intervened with his note of authority:

I hope that this debate will not be pursued. When we sent the telegram, we were then hopeful that President Wilson would translate his ideals into terms of the treaty. We sent it in the trust that his ideals might be realized much nearer than they are.

It was only a minority of the delegates who were so mistaken as to believe that Mr. Wilson had acted with hypocrisy. The large majority dismissed the matter in the sympathetic silence given to a well-meaning man who had been outplayed by stronger men. And Henderson's requiem closed the incident. Wilson will not again figure in the deliberations of British labor. No delegate in all the hall applauded his name. A sense of disillusionment in him and in the peace is widespread among advanced workers. The same kindliness that covers the Antwerp and the Gallipoli expeditions will surround the sleep of the Fourteen Points. One lasting result the American President has wrought—he has altered the vocabulary of idealism. At this labor conference, phrases about "open covenants" and "democracy made safe" were scrupulously avoided, and the aspirations of the workers were put into pedestrian and realistic words, with the emphasis on applications rather than on general principles. Ideology of language has now been relinquished to the imperialists.

One issue became clear. Should British labor use direct action, industrial pressure, the strike, to pull the troops out of Russia? If so, should the Labor Party say so? Or should it be left to the Trades Union Congress? Should a political question be settled by the industrial weapon? This is an old and familiar doctrine, but the application of it to the Labor Party is new to British experience. The Executive Committee, in its report, took the ground that if the "British labor movement is to institute a new precedent in our industrial history by

initiating a general strike for the purpose of achieving not industrial but political objects, it is imperative that the trade unions, whose members are to fulfil the obligations implied in the new policy and whose finances it is presumed are to be involved, should realize the responsibilities such a strike movement would entail and should themselves determine the plan of any such new campaign."

Robert Williams rose from his place as member of the Executive Committee of the Labor Party. He is the secretary of nearly 400,000 transport workers, who are sailors, dockers, riverside workers, ship loaders, and vehicular workers. He is a giant of a man, over six feet, in the prime of manhood, with large features—big mouth, a jutting nose, a loud voice, and a gift of Kiplingesque language. He wears a drooping tie like a neck-bouquet, and has huge hands. He is the "average sensual man," seen through a magnifying glass, and looks like a super-drummer. In speaking, the touch of charlatanism disappears, and the strength that has lifted him from poverty to leadership comes through. He chews his words with vigor and accentuates ch's and c's. He hisses his attacks, bitter and fearless:

There are members of the Parliamentary Committee who are more reactionary than the House of Lords. Their action has been a smoke screen to protect the reactionaries of the government. We are told that certain forms of action are unconstitutional. Is the war against Russia a constitutional war? One day that scion of the house of Marlborough, Mr. Churchill, the would-be dictator, gloats over the success of the Koltchaks, the Denikines and Manneheims, who seek to crush the Russian workers' republic. And, then, when the Red army wins, Mr. Churchill says, "We're only in a sort of war with Russia."

Mr. Churchill has thrown down the challenge, and I am prepared to say that at least one million of the pick of the working-class movement will accept his challenge on the maintenance of conscription, and the crushing of a working-class republic. If the leaders don't take action constitutionally, then the rank and file will take action. As a trade union official, I wish no conscription. The government is attempting to get the same power over the

workers industrially as in the war. We have a proof in the infamous army circular. [Exposed by the *Daily Herald.*]

But the military cannot be relied on to crush a working-class movement. I am credibly informed that the navy is even less reliable than the army. The police are less reliable than the navy. Let the conference decide whether it is possible to promote industrial action for political action—to use what our French friends call *l'action directe.*

Then followed the demonstration of the three days. A gray, bent man rose in the center of the hall, and acclamation grew till it was a tidal wave. For a moment or two the delegates broke into song, while Robert Smillie walked to the front.

He came to them from his long battle on the Coal Commission where, with the equal help of Hodges and Sidney Webb, he had won a wage gain and a shortening of hours that give his miners a good life. And more than that he had won; for he had obtained a majority decision in favor of nationalization and workers' share in management, which in the end will make his miners into public servants. He would wrest the minerals from the Dukes and hand the mines over to the community. As the foreign delegates testified, he had given the pace to the labor movement of Europe. The past and present of the man were about him—his almost fifty years of struggle and his part in the march of labor. He stood a foot away from where I sat. His bent figure and lined face are pathetic, but it is not the pathos of failure—it is the pathos of the old warrior.

"Don't spare 'em, Bob," came a voice from the gallery.

Smillie said in part:

The Executive Committee has taken the position of every exploiter, capitalist, and politician. What they fear more than anything else is direct action. Direct action may be constitutional action. Labor leaders were tied up under the munitions acts and the strike made illegal. The rank and file could only protest. The actions of the trade unions should have been kept free.

[Smillie kept the miners free by refusing to enter the Lloyd George Treasury Agreement.]

Where do political questions end and industrial questions begin? Politicians say that the nationalization of mines is political, but does the conference condemn the miners who made up their minds they would strike if they did not get nationalization of mines? To me nationalization is a great labor question. Starved and kicked and kept in miserable houses for generations, the miners have been building up fortunes for the privileged class. Are the organized miners not to use the power of their organization to improve their conditions by nationalization of mines? Yea, and our Executive Committee is now congratulating the miners.

Is the action of the government constitutional? The present government is sitting through fraud and corruption. They have deceived and lied. Is the labor movement to take no action? But no person proposed a stoppage of work to overthrow the government. . . . We want to take constitutional means in order to prevent later the taking of unconstitutional means. It will be safer for the trades unions and the Labour Party to meet calmly and constitutionally than to wait until a revolution breaks out in some part of the country, which might sweep from one end of the land to the other. We of the Triple Alliance wanted the whole labor movement to have a voice in deciding the question. The Parliamentary Committee has denied us the right to meet the whole of the trade union movement. So we have called a conference of the three bodies in the Triple Alliance. We would have preferred a wider movement. We do not wish to fight labor's battle sectionally. It is our duty to let the workers know we are behind them. I appeal to the Executive Committee to withdraw this paragraph, because it is a slap in the face to those of us who are working for what we believe to be the rights of the workers.

James Sexton replied. Sexton is head of the 50,000 dock laborers. He is the grizzled veteran of many battles for the better condition of the less-skilled and less-organized workers. His long years of responsible position have schooled him to patience and the piecemeal gain. He has a constitutional distrust of the radical mind. He has a large forehead with

beetling brows over inset eyes. His speech is jerky but forcible, given in a rough voice of sincerity. He is respected by labor and possesses a large measure of influence.

"Hello, Jimmy, another forlorn hope," said a delegate as Sexton came to the front. Sexton replied:

It may be a forlorn hope, but I do not think so. My friend and colleague, Williams, has put the case for direct action. I agree with Mr. Smillie that it is difficult, and sometimes almost impossible, to separate political from industrial questions. Is there a man or a woman in the trade union movement who would not take industrial action for the nationalization of the mines? . . . Against conscription no man is stronger than myself. But is there not an easier way of dealing with Mr. Churchill at the next general election? Four years of good sound agitation [Voice: "How about Russia?"] is better than the risk of civil war. . . . You are letting loose an element now rife in the trade unions which you cannot control. I am a revolutionist of a social character, but I do not believe in letting mad dogs loose.

J. Bromley answered him. He is a man in middle life, head of 40,000 men in the Associated Society of Locomotive Engineers and Firemen. In the past his organization has been at odds with the National Union of Railwaymen, but he and Cramp have reached agreement. They and their rank and file are as radical as the miners. Bromley said:

I am not going to call men mad dogs. The organized labor movement will have to blend the two—political and direct action—to save itself from destruction. I compliment the Triple Alliance on their action. Every one of the government pledges has been broken. Are we to take that lying down? . . . Unless the intelligent and aggressive minority give leadership, the trade union movement is going down in a welter of inaction. . . . The rank and file have backed us in our strikes. Let us show them that we are coming at last.

He was followed by W. Brace, M.P., of the South Wales miners. Brace (like T. Richards, McGurk, and Adamson)

represents the more conservative element among the miners, just as Smillie, Hodges, Robertson, Straker, Hartshorn, and Herbert Smith represent the majority element. Brace is "a splendid figure of a man" with raven-black hair, big, black mustachios like a benevolent pirate of the Main, and a powerful physique. Brace regarded the use of industrial action to settle political questions as a "slippery slope," but agreed with Smillie that it is difficult to distinguish between industrial and political questions. He said:

> The driving power behind nationalization of mines was from organized labor, but to set up the Coal Commission legislative enactment was necessary. It was the political party that set up the statutory commission. These paragraphs in the executive report suggest that the question of direct action should be settled by the trade unions alone. But it should be settled by both the industrial and political sides of the movement.

Then Henderson made the second move for the executive and the question was put by, to be fought out when a resolution in the agenda should come up in regular course. It was to return twice more till it was decided. And it was to be decided against Henderson, Brace, Sexton, Tillett, and Clynes, and in favor of Smillie, Hodges, Bromley, Williams.

III

No labor conference would be happy unless some foreign delegate had been prevented by a government from attending. This time two Frenchmen had been turned back by the French, or the Home Office, or the police. They were Frossard and Jean Longuet, the stormy petrel of labor meetings. The conference strongly protested and gave all the more emphatic applause to Ramsay MacDonald, himself the subject of earlier embargoes, who had recently returned from central Europe. He spoke to a resolution in favor of admitting Germany to the League of Nations and the revision of the harsh provisions of the treaty. MacDonald has a personality which

appeals to many races and nationalities. It is an international personality, possessed also by Longuet, Vandervelde, and Branting; Jane Addams has it notably among women. This means that he talks a language understood by humanity, and carries a sympathy which crosses frontiers. Hindus, Irish, and Russians are as much attracted to MacDonald as French and Italians. It "takes it out of him" to speak. A sob broke from him after one of his passages. Henderson is a sincere politician without the artistic touch—he persuades and manages people. MacDonald carries overtones and moves people. Both men have a quality of healing that banishes hate and division. MacDonald quoted Bolingbroke on the treaty of Utrecht, two hundred years ago: "Each of our Allies thought himself entitled to raise his demands to the most extravagant height. They had been encouraged to do this first by the engagements we had entered into with several of them, with some to draw them into the War, with others to prevail upon them to continue in it." The origin of war, said MacDonald, was the stupidity of the nations that made peace, and he went on:

The iniquitous conduct of Germany against France in 1871 is now being punished. Let it be punished in such a way that there will be no nation, twenty, thirty, or forty years hence, that will rise up and say, "We are going to wipe out the peace of 1919."

We could say that if Germany were in our position, she would do worse. I agree that she would. I have never said anything else. Neither in making war nor in making peace am I going to copy militarism. A peace made by Germany never would have been acquiesced in.

Another kind of peace is the peace of punishment. Germany must bear the burdens of her acts. That is punishment, but punishment is most effective with a reserve of justice. The man who confuses passion with punishment is not punishing as a judge delivering justice, but as a man destroying his enemy.

There is a third peace that settles the problems of Europe and tames those evil passions.

There is in Europe a great menace of militarism created by

the Scheidemanns and Noskes on the one hand, and the Churchills and Paris conferences on the other.

There are still the war-makers—old people, with a gouty foot by the fireside, who wish to be heroes and patriots.

The League of Nations is the one hope. It is bad as it stands, but we must make it better—no longer a league of national executives, but a league of peoples. All our old enemies must be in it.

We wish a peace out of the simple heart of man, out of the common experience of man. The old governing order gives way before the simple humanitarian ideas of the common people. They are marching, marching, marching to conquer the land. Over the well-nigh countless graves of Europe the grass is growing. Almost one can hear the simple soothing murmur of the growing grass, a music rising till the guns are stifled and stilled by it. In our own hearts, in our passions, let it be that peace shall rule.

An added proof that the War is over was furnished by the London *Times* in saying of this speech: "He perceptibly stirred the feelings of some of his hearers. On the whole it was a moderate utterance from such a quarter, and it would probably be endorsed by men of all shades of opinion in the party."

On a Thursday afternoon, the stage filled with friendly visitors from Europe and Asia. McGurk as chairman was gasping for breath in the strange tongues that broke loose at his right and left.

The foreign delegates made clear seven things:

1. They voiced the desire for a working-class International.

2. They expressed the wish that England should give the lead to the social movement of Europe. (This appeal to England as the pace-setter is from the elder constitutionalists of the Berne conference, like Branting, who look to Henderson and Stuart-Bunning to keep a steady keel without tipping to the left. It is equally felt by the unrepresented left of Italy and France, who wish the younger blood of England to shake loose from the step by step methods, and indulge in a revolutionary semi-Russian program, looking toward a new International of the Moscow order.)

3. They gave assurance that the Coal Commission had reverberated throughout Europe and heralded a new social order. The European movement has been stimulated by the miners' victory.

4. They demand that Britain should join Italy and France in demonstrating against Russian intervention.

5. They testified that the international labor movement is the nucleus for a league of peoples.

6. They testified that the paramount need is for peace, bread, and work—credits and raw material—an end of the twenty-three wars now raging.

7. Unconsciously they revealed sadness, almost despair. Some of them are surrounded by chaos and look ahead to bankruptcy and disaster. Europe is falling to pieces, and looks to England for help and stability.

One speaker advanced like a priestess. Annie Besant has returned to her own, after her twenty-six years in India, where she has traveled far toward the "dweller in the innermost." Wherever she goes, dusky, turbanned Hindus guard her. She has had a hand in three deep-reaching insurgencies. Far back in the '70s, she and Bradlaugh stood trial for making public knowledge to lessen the birth-rate of Great Britain. Years later she was one of those first Fabians, with Webb and Shaw and Bland, who published the volume that "permeated" England, and helped to break ground for last month's Coal Commission. With the aid of the Babus she has given translations of the Hindu writings, including the "rare and precious Lord's Song" of the Bhagavad-Gita. From time to time in the last generation the East has stirred with aspirations and the whisper of her name has flown across the continent.

Annie Besant stood quietly under the greeting of the delegates, an old woman, with thick white hair in waves across her head. She wore a rich robe-like dress of cream-yellow, gracious to the eye, and cunningly wrought at the cuffs and bodice in dyed stuffs of many colors, patterned of tiny threads.

"Comrades of the long ago," she began. Her voice caught up the gathering with its rhythm, every sentence taking its

full curve. The effect of this strange presence, returned to the West for what unguessed purpose, was compelling on the audience, who ceased to be a labor conference and became for a moment a dumb and waiting people, expectant of the word:

There are only two ways from serfdom to liberty—the way of reform and the way of revolution. Will you not help us in India to reforms that will avoid revolution? Mr. Montagu's bill does not give us a central government. The British Labor Party at Nottingham endorsed India's claim to self-government. We come now to ask you for your help in gaining from Parliament that home rule which you have already declared has long been our right. You may say to us, "But you have the blessings of British rule, and why would you barter that for the winning of home rule?" We want it to secure those things that make a people contented and prosperous—for longer lives and shorter hours and food for all. But why should we seek to prove to you why we want home rule? It is for you, if you deny us the right, to prove your right to make the denial.

Home rule is the right of every nation, that it may carry out its mission in the world; and you can never have the true International until you have nations that are able to unite.

We would plead with you, the mother of all free institutions—to your consciences, your honor, your traditions—to you who sheltered Mazzini and welcomed Garibaldi, will you not help us?

The League of Nations is a league of white nations to exploit colored nations. It should be a league of free peoples. In India, there is the last autocracy in the world. But when you went out to fight for freedom, India sprang to your side. She has an autocracy still, and no date to the ending of it. By the passion of her enthusiasm, then, Britain may judge of her disappointment to-day.

Give us some power in the center, and let India through her councils speak. Help us to drive a gap in that citadel of autocracy, and India will widen the gap till the walls fall.

Some of her children are still-born, and half her population live on one meal a day. You are sorry for your starving enemies. Will you not also be sorry for your friends?

Give us freedom, and our people shall not starve. Give us

home rule, and we will do for ourselves what you are unable to do for us. Give us a chance of raising a mighty nation, a nation of glorious traditions, and let it go forward with you, a free nation among the free nations that make your commonwealth, and Indians will bless your name in the future, and be glad at last that you landed in India as merchants.

IV

Henderson and Webb believe that a general election will soon come, and they are pushing nationalization to the front. The resolution with respect to it was therefore one of the two most important to come before the conference. The situation is this: the Coal Commission by a majority found for nationalization; Lloyd George and Bonar Law have pledged their word to make its findings law; vested interests inside and outside of Parliament are determined to prevent this. Henderson says:

It is a matter of enormous significance that the conference is confronted with a very real working-class achievement in the majority recommendation of the Coal Commission in favor of nationalization of mines and minerals, and recognition of the right of the workers to a share in the control of the industry. . . . They are calculated to hasten the dissolution of the unnatural alliance of parties that masquerade at present as a coalition government. They provide labor with a *first-class issue upon which to base its electoral campaign.* I hope and believe that the conference will seize the opportunity presented to it and will rally the whole of the forces of the organized movement to a joint effort to carry these recommendations into effect.

Around this issue of nationalization the fight is forming from all sides. It will be the political and industrial issue of the next five years. The Duke of Northumberland and the *Morning Post* see it as clearly as Henderson and Smillie and Webb.

The *Morning Post* for June 27th says:

The old lines of party cleavage have no doubt been obliterated, but only to range in a less artificial antagonism the great, enduring conservative elements in the country, who stand for reasoned progress, based upon the established order, and the revolutionaries who, in their impatience to make experiments, would put everything that is worth having to risk. It is time for every man to-day to decide on which side he stands, and no better test could be afforded than this issue of the nationalization of the coal mines.

Havelock Wilson of the sailors ranges himself with the *Post*. A committee of conservative members of the Parliamentary Coalition has been formed to fight nationalization. Coal will kill the coalition, the coal report will transform political parties and will force Lloyd George to make his decision as to his own future, whether he shall be the radical campaigner, or the rising hope of the ancient landowner. Such was the atmosphere in which the resolution on coal came before the conference. John Baker of the Iron and Steel Trades Confederation (85,000 members) moved the resolution. H. Nixon, of the 20,000 blast furnacemen, seconded it. It was a clever device to have these metal trades, kindred to coal, line up behind the miners.

A resolution on national finance was brought in by the I. L. P., the railwaymen, and four local labor parties. It called for a graduated system of conscription of wealth, the taxation of land, accumulated capital, incomes and profits, a national bank.

Briefly, the situation is that the national debt amounts to one-half of the pre-war total capital value in land, mines, railways, building and commercial industry. When the troubled and disastrous financial condition of Britain is realized—as it must be within three years—this plank of the labor program will come to the fore. It is a challenge, (1) to the possessors of wealth to hand over a larger fraction of

their capital and income; (2) to the captains of industry to mitigate unchecked "private enterprise" and "private profits" in order to win the co-operation of labor, which balks at operating under the old system; and (3) to the labor leaders to tell the rank and file that "the new heaven and new earth" has been postponed by the War, and that hard work inside the industrial democracy is a necessity for even a scanty measure of prosperity.

V

The morning of the last day opened with Henderson's reading of a statement that "the delegates of the labor and Socialist movements in Great Britain, France, and Italy, meeting in Southport," had arranged for a general working-class demonstration on July 20 and 21, to take, in each country, "the form best adapted to its circumstances and to its method of operation." This meant that orderly public meetings of protest would be held so far as British labor was concerned. The foreign delegates—d'Arragona, Renaudel, Jouhaux, and Branting—all of them belonging to the right, had made it clear that working-class feeling against Russian intervention had grown so intense that organized expression must be found. These middle-aged conservative men had sat up late o' nights with the British Executive Committee, revealing the gathering storm, and devising a lightning-rod.

Then the conference passed on to its most dramatic piece of business—the resolution on direct action. Councillor R. J. Davies, of the Manchester and Salford Labor Party, moved it and seconds came from G. Deer, of the British Socialist Party, and C. G. Ammon, of the Fawcett Association of 7,000 post-office employees.

Neil Maclean, M.P., one of the Scottish members from the storm center of the Clyde, said:

No war has been declared on Russia. No war credits have been voted. The war is unconstitutional on the part of the government. We are in the war because 1,600 millions of British

capital is invested in Russia. Three cabinet ministers, Sir Eric Geddes, Austen Chamberlain, and Walter Long, have money invested in Russia, and wish Koltchak to win. Our troops use weapons made by British armament firms who have money invested in Russia, the Birmingham Small Arms Company among them. In the House of Commons men who call the Labor Party Bolshevik hold shares in Russian companies, and allow the boys of the working-class to be sent to fight for their capital. The dowager empress of Russia can enter this country without difficulty, but labor's two delegates from France are turned back. As between the czarist, Koltchak and Bolshevik régime, I stand by the Bolshevik régime. So I call on labor to assist those of us who are in the House of Commons, who wish to withdraw our troops.

Up to this point, the more extreme radicals only had spoken. They did not represent a voting strength of more than perhaps 5 per cent of the conference. Ben Tillett spoke for the other extreme. He has a famous history from the days when he and John Burns and Tom Mann fought the dock strike. Tillett still leads the dockers. He is a short, clean-shaven, black-haired, grim-lipped fighting man. He has a square chin and in repose is like a small hunk of granite. In action he is fierce and springy with a panther-swiftness of attack. At his best he is magnificent, and he was at his best. A few days before, he had carried the transport workers in his plea for working-class forgiveness of the Germans—a noble plea. Now he was brilliant in his defense of the old trade-union way of carrying on the class war. Tillett said:

For thirty-five years I have been a direct actionist. From the source that moves this resolution, I have been subjected to the bitterest persecution. This is a political conference. It has no right to ask the industrial movement to take economic action without consulting the members—pit, shop, and branches. The words of the resolution are camouflage to cover the sinister intent of the resolution. The trade union movement cannot take this action without exhausting every avenue of reason and argument. There has never yet been a revolution of the workers. Workers

have gone blindly into revolutions, led by the middle-class and by professional politicians. Then the workers, like Samson, had their eyes gouged out; the politician benefited and the workers suffered. If we are to take revolutionary action, it must be organized, and it must offer a chance of success. Always, the men who have been most blatant for bloodshed have skulked out of trouble. The lions on the platform have been rats when the soldiery turned out.

The Triple Alliance can't do these things. There is too much talk of the Triple Alliance. It is a body subordinate to discipline. Miners and railwaymen and transport workers can't be led by the nose. Their constituents must be consulted before action is taken. The conference should hand over industrial action to the proper body.

In Russia to-day no trade union meeting can be held. Under the Trotsky-Lenine government, no life is sacred, no property is stable. There is absolute chaos by direct action.

When we go to war for our class rights, we must know what we are doing. When the fighting comes, I shall not be far behind. It is a mistake for this conference to insult the workers. The trade union movement will not allow you to boss them.

Tillett was eloquent and witty, throwing his invective at high speed. His was a white-hot speech of deep emotion by a man of native gifts. It was a speech that might have won the conference, if any but two men had tried to reply.

The younger of the two rose, and a thousand men broke into applause. Frank Hodges did not hear the applause. He was thinking of the young men—absent from this conference of the elderly—whose voice he was. He is thirty-two years old, grave and determined; sharply-chiseled with a jutting jaw. The young miner from South Wales has a deep, steady voice, with a rolling quality, conveying hints of reserve strength. His record at the Coal Commission was known to every man in the hall. And as he spoke, the words of Tillett seemed "personalities," a little wild and touched with hot feeling. Calmly, but with a sweep of conviction and a measured force of considered argument, Hodges lifted the conference above bickerings. He said:

The resolution is an expression of opinion that the labor movement, because of its weakness, has not accomplished its hopes with regard to intervention in Russia. And it says, let us acknowledge our political weakness and approach the body possessing industrial strength with a view to effective action being taken. Those words must not be misunderstood.

They mean that the Parliamentary Committee would be invited to call a Trade Union Congress and put a resolution of this character on the agenda. The experience of the Labor Party Executive and of the Triple Alliance with the Parliamentary Committee offers no hope. But we hope that this conference will succeed where they failed in influencing the committee. It is not suggested that the Trades Union Congress can make a declaration as to an immediate strike. The effective action may be such action as each union must determine according to its constitution, but the conference could make a recommendation to the unions leaving them individually to discover the way of carrying it into effect.

We have got beyond the discussion of whether we are to supplement political action with industrial action. If I understand the position, the parliamentary party would welcome that kind of industrial support which would add to its authority in the House of Commons. The miners' strike found its way on to the floor of the House of Commons. Do the opponents of the resolution believe that at no time is it right for the trade union movement to go to the aid of the political Labor Party?

The two wings of the movement ought to be in harmony. The parliamentary party must not only represent geographical areas. It must represent the strength that has accumulated in the trade union movement.

If the resolution fails, we in the Triple Alliance are driven back upon ourselves. We do not wish to be. But if there is no other way, we must use within the constitution of the Triple Alliance the industrial force concentrated there, and our members will have the authority to give us the sanction to declare what industrial action we shall take. I trust the members of the Parliamentary Committee will heed this resolution.

This country can move through to the social revolution differently from any other country, but if you deny it the right to move through constitutional channels, provided by the Labor

Party and trade union movement, you bring into being those elements of social chaos and disaster which may not be the best for the country in the long run.

This was a clean-cut exhibition of personal power put out in easy mastery of a group. The Executive Committee now made its fourth attempt to turn a tidal wave into a pool. It put forward Clynes.

War-time food controller, he is not only head of 350,000 general workers but the most famous representative of the million unskilled and semi-skilled organized workers, who are approaching more and more to amalgamation. He is an opponent of direct action for political objects. He has swung powerfully to the right as the Triple Alliance has leaned to the left, and has written and spoken boldly against their action. He is the most powerful brake in Britain on their course. Clynes never indulges in personalities. He has a cold-chiseled brain, a limpid speech. In mental equipment he is the Elihu Root of the labor movement, with considerable physical resemblance. He is only outreached when he meets a man of equal moderation, dignity, and clarity, if that man has youth and is for the moment at least the voice of the aspirations of the coming generation. Clynes said (to a buzz of interruption):

I have always believed that organized labor should use without limit the trade union weapon for industrial ends. When it is a question of wages, or hours of labor, or workshop conditions, there must be no restraint upon the extremest use of the strike weapon. But I refuse to use that weapon for so clear and obvious a political purpose as that mentioned in this resolution. Mr. Hodges has put a very generous interpretation on the resolution. Its purpose is not only "effective action" but "unreserved use of the industrial weapon." [Here came a question from a delegate.]

I was in the government for work I was not ashamed to do, and I left the government because I could not separate myself from a movement which, even when I believed it to be wrong,

is a movement I want throughout my life to be associated with.

The last time we assembled in a labor conference, we were beginning a great political struggle and we announced that we had 360 ready for the fight. We went to the constituencies believing in democratic government through parliamentary institutions. In 60 cases only were our candidates returned, and 300 rejected—and rejected in the main by the great working-class constituencies where most of our propaganda had been carried on. We should not deceive ourselves by saying that workingmen were deceived by designing knaves and politicians. The true explanation is that the workingmen were not ready. Either we must believe in parliamentary government or reject it altogether. We must not say that the results are splendid when we succeed and that they are not to be recognized when we fail. We have heard a lot about the "ruling classes" and the "governing classes." The class which has the power to rule in this country is the class represented by this conference. There are twenty million working men and women on the burgess roll. Are we to say that those twenty millions are foolish enough to elect only the weakest of the labor candidates and to reject all the wise ones? In any case those who were returned represent the choice of the rank and file.

The conference ought not to shirk its responsibility. It should not throw the responsibility back upon the executives of the different unions. We are for the moment the choice of the rank and file. It must be noticed that the conclusion of the resolution is a definite piece of advice and will be interpreted throughout the country as a suggestion to the trade unions to use the strike weapon for political ends. We hope to see the day when, instead of there being a great crowd of capitalists and non-Socialists in the House of Commons, there will be a labor and Socialist government. What, then, would any class which opposed the action of that government be entitled to do? [A voice, "Strike."] Does that mean that any class which had the power should have the right to terrorize a labor government by using whatever means or manœuvers were at its command? [A voice, "Let them try."] Is that admitted? This course of action would be a blow, not at a government but a blow at democracy. It would do a greater and more permanent harm to the true interests of the working-class than to those of any other class. There would be millions of men in the street, with riot and bloodshed. Do we hope by

creating disturbance in this country to secure peace in the world abroad? The more turmoil there is here, the more, surely, will continue the state of distraction which exists in other lands. It is a socialistic principle to educate people to the acceptance of our principles, and I am prepared to preach those principles until they are applied.

We are stronger now than the rich. We do not want our people distracted by this movement, but educated. For thirty years I have been a Socialist. I remain one. I was taught by Keir Hardie. I am willing to go on until those principles prevail, not by blood and tears, but by parliamentary power.

In Hodges' speech, note that he did two things. He threw the question, "Do the opponents of the resolution believe that at no time is it right for the trade-union movement to go to the aid of the political Labor Party?" This was the same sort of challenge which Clynes used a year ago when the question of calling the labor members of the Government out was to the fore: "Are you for the war, or against it?" Because the question demanded an answer and did not receive it, Hodges, like Clynes twelve months ago, carried the conference.

The other keynote of Hodges' speech was: "The Parliamentary Party must not only represent geographical areas. It must represent the strength that has accumulated in the trade-union movement." The philosophy of the younger elements of labor is in that passage. It is a statement of functional representation, of guild socialism, of industrial unionism, of producers' share in control, of pluralistic sovereignties, of the federal principle. The whole recent impulse and forward thrust of labor is in it. The National Industrial Council and the Coal Commission were a recognition that a geographical Parliament is not enough for groups of citizens with special interests. The old British State shakes with the contest between vast aggregations of capital in the key industries and the new "iron battalions" of organized labor in those key industries. They are not functioning through Parliament, or a constitution, or a community organization. It

is a battle of powerful minorities, unrecognized, unrepresented, rebels and franc-tireurs, swaying in the night.

A card vote was taken on the resolution for direct action, and 1,893,000 were in favor, and 935,000 against it. So by a majority of 958,000 British labor had swung to the left.

The resolution on conscription went through with a whizz, and yet, oddly enough, it called for the same exercise of the power of organized labor as the resolution on Russia. David Kirkwood moved it. He is the well-known shop steward of the Clyde area, who was deported from Glasgow because of his activities. One would expect to find him a fire-eater, of revolutionary mind. Actually, he is a sober, restrained family man, of open, attractive face, and with the richest accent of burring r's in the labor movement. I have encountered him before, and always he is the quietest performer of the day. Each time I see Kirkwood I have the feeling that, if he followed his wish, he would be home with the kiddies out of the turmoil. Fifty years ago, the sort of person he is would have been a pillar of the kirk, saving money for the education of the bairns, a quiet home-body. He has been forced into his rebellion by the injustice to workers. He made his stand. Being stubborn, he couldn't back down once they started harrying him. They seized him, deported him, and created a labor leader.

In the view of the political constitutionalist, Philip Snowden, the votes registered:

> Less an approval of the use of industrial action to attain political objects than an intense disapproval of the foreign policy of the Allies. The abstract question of using the industrial weapon for political purposes was not really under discussion. If that had been the issue the vote probably would not have been so decisive. The proposal is to take such means as are at the disposal of labor to achieve the one definite object of stopping Allied intervention in the internal affairs of Russia and Hungary.

By direct action the British workers mean first of all a consultation by every trade union of its rank and file. This

is a process requiring many weeks. They mean consultations between the committees of the Labor Party and the Trades Union Congress. They mean a thrashing out of the matter on the floor of the congress at Glasgow on September 8th. They mean a house-cleaning in the Parliamentary Committee. They mean Clause 8 of the summarized constitution of the Triple Alliance, which reads: "Joint action can only be taken when the question at issue has been before the members of the three organizations and decided by such methods as the constitution of each organization provides." They mean after that a series of next steps—action in support of this process of group judgment. In taking these steps, they mean to safeguard methodical development, freedom of speech and of the press, the right of assembly, suffrage, a Government responsible to Parliament, the traditional institutions. They would regard it as a calamity if industrial pressure should lead to the abandonment of the political labor movement. They desire a fundamental structural change without the shedding of blood or the loss of productive power. But they mean that British troops shall not longer be used for the numerous and growing wars of the continent. They mean that the pledge to soldiers of return to civilian life shall be fulfilled. They mean that the Government shall not disregard the voice of the British people against special unconstitutional wars as expressed in three recent by-elections.

If the war against Russia continues and grows, if trade unionists are conscripted and retained for a political policy on which the electorate was never consulted, then the threat of direct action by the trade unions will so grow in volume and menace (through the constitutional channels listed above) that there will be sectional strikes; and in the end a general election will be forced, and this political question (Russia and conscription) will be solved by political methods. That is direct action of the British brand.

The situation out of which sprang this sugar-coated, cotton-wrapped bombshell is this: Labor in the key industries, organized approximately on the lines of industrial unions, have

reached for power in the chaos that followed war. The forward movement of labor issues from these key industries. The craft unions, and the conservative older trade unionists, are troubled by this forward movement. Some oppose it. Some seek for a harmonizing principle inside the old scheme of things. In the end sectional unionism is doomed, and there will be ever-closer co-operation between the industrial unions. The Triple Alliance is the focal point of industrial unionism, as it spreads over increasing areas.

There will be many defections. Havelock Wilson has announced his intention of withdrawing his sailors from the Triple Alliance on its political activities. Ben Tillett, James Sexton, and James Wignall are sure to oppose this pressure of the Triple Alliance on the State, and they, with Wilson, are redoubtable fighters, with the honorable scars of many battles in defense of the working class. They have a powerful following.

Few women even rise to try to speak from the floor. It was at the fag end of the opening day that the first woman's voice was heard. My wife, who attended this conference, writes:

> Like the weak voice of a drowning person pipes through the confusion the appeal of a woman. She wails, phantomlike—"Mr. Chairman," over and over. What chance is there for a woman in a man's meeting? None. The man that yells hardest wins out; therefore women will never have a chance.

Those that really know the labor movement, like Dr. Marion Phillips—the organizer of women—tell me that we are wrong in this; that women are preferentially treated.

I must leave it as my impression of half a dozen labor conferences that women as yet with difficulty gain a hearing. I believe that there is a superiority, a subconscious scorn, on the part of male British labor, just as there is in a large number of the middle class. Finally on the last day, one woman pleaded in despair:

"Is a woman allowed to speak?"

It was still largely a conference of middle-aged men.

Young Britain was heard only in the voices of the soldiers, and Cramp, Hodges, and a few more. Honesty, sincerity, dogged sure-footedness—these are the qualities. Insistent on justice, they are; one voice carries above all the hubbub, carries and is understood. A group who cannot be hustled, and cannot be frightened, slow to anger, but dangerous when roused as they well proved in Flanders. Informal, homely, these men take their calling without undue seriousness. Many were smoking their pipes—there was pipe-lighting all over the room, one, two, three, matches flaring, and then the glow and smoke-cloud in the dusky background. It was an effect like the lighting of miniature camp fires, one catching from another till sometimes it swept across the room. All sorts of accents filled the air—Scotch, Welsh, Irish, and the fifty-seven provincial dialects. Dozens of little splits broke loose among the men. Then the steam roller flattened them into harmony. "For God's sake, unite," became the anxious cry as the hours waned.

Henderson is a constitutionalist, moderate, seeking harmony and unity. His tactics were obvious. He hoped by playing up mine nationalization to divert the ardor of the miners from Russia, and so avoid the question of direct action. But the Triple Alliance is ready to take on other fights than its own, and tactics do not avail in the path of a battering ram.

But a momentary difference on method is not unknown to British labor. I have given a wrong impression if any reader thinks that the leaders of the center and right will not line up with Smillie as he forces into law the findings of the Coal Commission. Ben Tillett and Sexton, McGurk and Brace, Clynes and Henderson, will be there. On July 2, Brace informed the House of Commons:

> The exigencies of the war have made the nationalization of railways, mines, and all the key industries of the land inevitable.

Of the conference as a whole, Henderson has written, "In

several respects it is the most important gathering in the history of the politically organized movement." Of those who composed it and those others in the movement, the Minister of Labor, Sir Robert Horne, said on June 23:

The country owes the position of victory which it has accomplished to the efforts of the trade unions of Britain. The most steadying influence throughout the war and that upon which the government was able most persistently and confidently to rely was the help which it obtained from the great trade unions of this country.

It is of high political importance that we in America learn to know these men of labor. For Curzon and Carson, Milner and Churchill are fast becoming spectral, but Clynes and Thomas, Gosling and Hodges, will one day be among the governors of Britain.

SIGNOR D'ARRAGONA'S MESSAGE

Secretary of the Italian Federation of Labor, belonging to the right of the movement. As such his speech was the most disturbing of the day. A responsible-looking elderly man of fine, Roman features, of high dignity, tall and spare:

The Italian organization of labor is one of recent formation, barely a quarter of a century old—the product of Socialistic propaganda. As the result of the war, Italy is almost on the verge of bankruptcy. She is in a revolutionary state of mind. To the masses, only one solution seems possible—the social revolution. There is no coal, iron, raw materials. Temperament and economic conditions both are at work. The Italian Federation of Labor has demanded a constituent assembly and the socialization of land. They hear that the English miners are obtaining nationalization of mines. Before the war the federation numbered 300,000, and now 800,000. Before the war, the Italian Socialist Party numbered 50,000, and now 100,000. The Socialists have 42 Deputies, and control 300 communes, including Milan and Boulogne.

The situation is so grave that I anticipate in a short time an attempted revolution—a revolution with bloodshed. The results may not be large, but a rising is almost inevitable. I belong to the right, but I see no other way out.

HJALMAR BRANTING'S MESSAGE

One of the useful men of Europe, a Socialist of the old stock, anti-Prussian, anti-Bolshevik, pro-Ally. He is of heavy bulk, and looks like a responsible statesmanlike walrus, with a walrus's mustaches.

The fall of the Hohenzollerns has been the cause of a democratic gain in Sweden. I anticipate that both houses of our legislature will be social-democratic for the majority of members after the next general election. They will then probably enact an eight-hour bill, and obtain a further reduction of military service. The party has been enormously struck by the report of the British Coal Commission, and the step forward it represents. This report will have an incalculable influence over the world wherever the workers struggle against capitalism.

Our Swedish Socialist Party is not going to desert the old lines of Socialist effort for the new formulæ offered to-day [the Bolshevik theory of dictatorship].

PIERRE RENAUDEL'S MESSAGE

French Socialist of the moderate right. With vivacity and mental lightness, an inner gleam, he speaks at ever-increasing tempo, till it becomes the roll of a mitrailleuse, piercing, shattering, inciting to action.

Jaurès predicted that war would be followed by revolution. The revolution is taking different forms in the nations according to the nature of their government. In the autocracies it takes the most violent form. In France, of an older democracy, socialism, progressing, will lead to revolution in forms less violent.

The peace treaty and League of Nations do not fulfil the objects and intentions of the working-class. Colonial territories have been annexed without giving Germany a share.

M. VAN ROOSBROECK'S MESSAGE

Of the Belgian Labor Party.

Here chimneys smoke. There they are dead. Trade union membership has increased from 120,000 to 429,000. In politics the situation is not so favorable. We are on the eve of our greatest electoral battle for universal equal suffrage. Hundreds of thousands are out of work for lack of machinery and raw materials.

M. JOUHAUX'S MESSAGE

Secretary of the French Confédération Générale du Travail [the C. G. T.—the federation of trade-unions]. A solid individual with a ruddy face set off by close cropped chin whiskers, a long black mustache, black hair.

The world stands before the bankruptcy of the middle-class. The principles of labor must now be realized to save the nations from bankruptcy. There must be such a manifestation of the power of the proletariat that all will know they have left behind the period of servitude. The C. G. T. has made its own protest against the peace treaty, and insisted on a peace, free from any annexations however disguised with phrases.

CHAPTER V

THE CONGRESS AT GLASGOW

The British Trades Union Congress at Glasgow in September reaffirmed the stand taken by the Labor Party at Southport in June. It declared overwhelmingly for nationalization of the mines and for compelling the Government to enact the Sankey report, which called for nationalization. The congress refused to vote against direct action and voted itself ready to call a special congress if the Government refuses to nationalize mines, to abolish conscription, and to withdraw the troops from Russia—to call it for the purpose of deciding what action should be taken to enforce its will upon the Government.

The men who forged and welded conference opinion on these lines of nationalization, direct action, Russia, and conscription were Smillie, Hodges, and Clynes, along with Henderson as fraternal delegate from the Labor Party.

The decisions of the congress are the result of the Smillie-Hodges policy (as definite as the Henderson policy). They are new for the industrial arm of the British labor movement. A struggle is near between labor and the Government. As I brought out in my interpretation of Southport, direct action does not mean a general strike. It means the threat of industrial pressure in order to achieve aims (nationalization, Russia, conscription) through the constitutional means of government and Parliament, forcing, if necessary, a general election.

Thus history is in the making at this moment in England, history as significant as the Russian Revolution. Labor is attacking the basis of the old British order. That is an important fact. The convention was the little funnel through which slowly gathered forces of the past flowed through into the future. The labor movement has no more unified program or central government than the Allies in 1914, but it

forms a line-up, and the events of the next five years are already determined and made inevitable by the Coal Commission, Southport, and Glasgow, by the Triple Alliance and by Smillie. For, the policies adopted by the Glasgow Congress mean that the industrial union of miners is the strongest single element in Britain and that it has a masterful technique. But there follows a typical British touch. Lest any one should grow unduly excited, the congress in one of its last acts drove the miners off the Parliamentary Committee, and made of this committee for the coming year as safe and respectable a body as in its days of stodginess.

An advanced policy and a slow-stepping executive. The British worker still reserves his right of dissent and protest. He wishes his revolution to come as organic change, gradually, with footnotes and reservations. As yet he has no intention of going out on general strike for a political end. He wishes to use the threat of his industrial power as the method of forcing government to go to the country. No large body of British labor as yet considers striking on a political issue without first testing public opinion by a constitutional election. It is perplexing to an outsider but traditional and logical to the British. Force the pace but don't run off the highway. The motivation is the desire for unity. Labor does not mean to split to either the left or the right, but to move only so fast as will hold in unity over five million workers.

Eight hundred and forty-eight delegates were in attendance in St. Andrews Hall on September 8, and to the best of their ability they represented 5,265,426 working men and women. In general it has been true that there is nothing slower, surer, and drearier than a trades-union congress. It has always moved like a tortoise—but it scrapes along in its hard-shell way to the goal. It would be futile to run down the list of pious, unanimous resolutions presented in the agenda, resolutions on pensions for mothers, old-age pensions, free trade, control of industry, Parliamentary procedure, care of the blind, amalgamation. For a generation some of them have been duly moved and dully seconded. It is a demonstra-

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Trade Group	Delegates	Membership
Building Trades	35	265,092
Clothing Trades	38	235,886
Cotton Operatives	34	100,106
Dock Laborers and Seamen	69	308,660
Engineering and Shipbuilding	42	575,253
General Laborers	97	1,133,548
Metal Workers	101	390,906
Miners	172	683,900
Printing and Paper Trades	32	137,570
Railwaymen	22	545,531
Weavers	93	362,584
Miscellaneous Trades	113	526,390
	848	5,265,426

tion of the soundness, the sanity of British labor. The Government can be handed over to them to-morrow, to-night. No seismic tremor will follow their advent. They will inherit the power with all the sobriety of the elder tory rulers. They partake a little of the nature of peasant proprietors. They do not wish to spill the beans. Nothing rash, they seem to say; we have a living wage; hours are no longer killing—let us build our tabernacle in this place.

In truth the young men are not here. The next generation is ten years away, and the returned soldiers remain to be heard from.

Poverty and unemployment and cold will begin to strike in with the next three years. Events may disarrange even a level-headed program. Moreover, British labor has no central government. The congress has no direct executive power. Its Parliamentary Commitee of sixteen members, chosen from as many trades, is not a central executive. Originally it was chosen to serve very much as later the Labor Party functioned. Congress is a statement of the mass opinion of powerful, elderly delegates, and its Parliamentary Committee is the resultant of the ambitions of many separate trades.

The *New Statesman* on August 30 said:

The total trade union membership in the United Kingdom now reaches probably 11 or 12 per cent of the census population and, taking males only, well over 50 per cent[1] of the whole of the adult male, manual-working wage-earners of the nation. The accumulated funds of the British trade unions can not nowadays fall far short of ten millions sterling. Until the Trades Union Congress takes its executive duties a little more seriously and provides, as its steadily growing funds easily enable it to do, for a much stronger secretariat, the trade union movement and every separate union will continue to suffer the consequences of the disorganization to which they are subject. Trade unionism in this country as an industrial force is suffering seriously from lack of leadership. It is the Parliamentary Committee of the Trades Union Congress that so far as industrial policy is concerned supply that leadership.

Furthermore, while the labor group in Parliament has been numerically stronger since the December elections than ever before, it has been lamentably weak in leadership, ideas, and the fighting edge of opposition. (The British believe in the opposition as an essential element in government.) The absence of four men in particular left labor in the House of Commons as a feeble voice. W. C. Anderson, that much-loved, sweet-tempered, fearless leader of the left, died. Philip Snowden and Ramsay MacDonald were defeated because of their orthodox Socialist stand on the issue of the War. Henderson was defeated in December in a constituency where he was not personally known, which he had little time to visit, and where accordingly misrepresentation could be used in a khaki election. But the mills ground fast for him, and the net result of the last nine months is that his position in Parliament, in political labor, and in trade unionism is stronger than at any previous moment in his life. He radiates power and victory. He is at the beginning of his larger career. Although on the fourth day the results of Widnes were not

[1] It is in April, 1920, 60 per cent.

known, Henderson came before the congress as fraternal delegate in the unmistakable mood of triumph. Of opposition there was none. He is at the center and heart of British labor, the very loud voice of their common sense.

A little of the fervor of labor's welcome to him was due to the talk of the American delegate, J. J. Hynes, who protested against the visit of British labor leaders to preach political labor and reiterated the opposition of American labor to political action. This fell strangely on British ears at a crisis when swift and large political expression is the only lightning rod that will save the constitutional structure from being scorched. The delegates heard him courteously but greeted Henderson with great enthusiasm. Henderson will not be unseated by the A. F. of L. On the fifth day, his victory at Widnes was announced to the clamant joy of the congress. Henderson won, first, on his war record, which converted a tory stronghold into a labor constituency. Since Widnes was established thirty years ago as a constituency, it has sent an unbroken representation of tory-conservative-unionist representation. Henderson turned the large December coalition majority into a labor majority of nearly one thousand. He won also because of his campaign on opposition to the Government, particularly on Russian policy. The day is over when lies about pro-Germanism are anything but boomerangs, and when a British army can be retained in Russia.

As a fraternal delegate Henderson said:

It is time we cease to think and talk in terms of propaganda, and begin to think and talk in terms of constructive responsibility. There are three things I want to ask you to do. First, to make up the leeway between the trades represented at the congress and the numbers represented in the Labor Party. If we can get the two and a half millions added to the three millions it would tell at the next general election. The next thing is greater co-operation between the congress, through its Parliamentary Committee, and the Labor Party through its executive, so that we can go to Geneva next February and bring together the most powerful inter-

national that has ever been created. Representation of the producers through the Parliamentary Committee, representation of the consumers through the Co-operative International, and representation of the citizens through the Labor Party—then we shall have a force standing for world peace such as we have never had before.

Finally, I ask you to use all your influence, through both the industrial and political wings of the movement, to terminate the life of the present government as speedily as you possibly can. I make that demand because the government are doing things without the mandate of the people, particularly with regard to Ireland and Russia. We ought to terminate the government's existence and have an appeal to the country on conditions much more normal than the deceptive conditions that prevailed last December.

The first outstanding action of the conference was what amounted to a vote of censure (carried by a majority of 710,000) of the Parliamentary Committee for refusing to call a special congress to decide what action, if any, should be taken because of conscription, Russian intervention, the blockade, and conscientious objectors. In moving the reference back of the Parliamentary Committee's report Robert Smillie said:

Personally I feel that the Parliamentary Committee does not have the confidence of the trade union movement. Take the question of our blockade. Under it hundreds of thousands of old men, women, and children were being starved to death. Whoever were to blame for the terrible war, the young and the aged could not be blamed. These were done to death by our blockade. I always have it in my mind that the time would come again when we shall have to meet the fathers and brothers of those people in the international movement; and that if the voice of British labor was silent on the question, we could hardly raise our eyes and look into the faces of those men and shake them by the hand.

The question of Russia was surely of sufficient importance. It might be said that that was a political question with which trade unionists ought not to deal. There is no greater labor question in the world than intervention in Russia. If the capitalists and capitalist governments—our own amongst them—manage to crush

out the Socialist movement in Russia led by Lenine—which God forbid—and begin to develop with cheap labor, as they intend to do, the enormous natural resources of Russia, they will be able to flood our markets with cheap commodities, without having regard to the suffering that might be caused here.

Although it was passed with little discussion, one of the most important resolutions of the week was that of the Warehouse and General Workers' Union for the setting up of an industrial parliament of labor. The Parliamentary Committee was instructed to prepare a scheme "whereby the trade-union movement in the future will, on all questions of national and international importance, adopt a common policy and speak with a united voice." The grounds urged in support were the need for industrial adjustments on a national basis; the co-ordination of labor claims made through existing industrial councils; the prevention of overlapping and undercutting of demands and "the desirability of reviewing the decisions of industrial councils, such as those that may aim at the ultimate establishment of compulsory arbitration and the riveting upon the nation of a wide system of protective tariffs."

The second victory for the miners came in the passage by an immense majority of a resolution reciting that the Government had rejected the Sankey coal report and adopted in its place a "scheme of district trustification of the industry," and pledging the congress to "co-operate with the Miners' Federation to the fullest extent with a view of compelling the Government to adopt the scheme of national ownership and commission" and, in the event of the Government's refusal, to convene a "special congress for the purpose of deciding the form of action to be taken."

In urging the nationalization of the mines, and action by the congress to "compel" the Government, Smillie said:

It cannot be said that the trade union movement has acted rashly on this question. Since 1882 the congress has passed forty-two resolutions dealing with the general principle of nationalization—

sometimes a general collectivist resolution calling for nationalization, sometimes a land nationalization resolution, and occasionally a mines nationalization resolution. It is over twenty years since the congress affirmed the principle that the minerals lying under the surface of the soil, which was not created by man, ought to be the wealth of the state and not of individuals.

I want our fellow-workers to believe that we are endeavoring to be straight and honest with them. We do not desire the nationalization of the mining industry for ourselves alone. There is nothing of the syndicalist idea in our claim at the present time. The time may come when the industries of the country, mining and other, may advance a step farther than we are asking at present. But it is not in our interest alone that we are asking for nationalization.

The miners were entitled to expect that if the commission recommended nationalization the government would carry out its findings. The miners were twice dissuaded by Frank Hodges and myself from acting on their ballot vote and declaring a strike. They believed that the government would carry out what they thought was its pledge. The government and the press thought that when the prime minister made a statement the matter was ended.

This question can only end with the nationalization of the mines. I have no desire to have a strike in any industry. I hoped that common sense would secure justice for them, but while I hold that view I also realize that a time may arrive when it would be criminal for a labor leader to advise anything else than a strike. I have advised strikes when men were being brutally treated by brutal employers. I would do the same again. The miners knew that a long stop of their industry would bring poverty and suffering to thousands of homes outside the mining industry. In view of that they felt it was their duty to carry with them, if they could, the whole trade union movement. If they have established the justice and the necessity for the nationalization of the mines, they ask trade unionists not to leave the fight for it on the shoulders of the miners alone. I have no doubt that, if the miners were of the mind to do it, they could within a month stop every mine in the country until the mines were nationalized. That would lead to the stoppage of the railways and all industries dependent on coal. They do not want that. They believe that

the thing ought to be done constitutionally, as it was called by the government.

J. H. Thomas followed, and put his 450,000 railwaymen behind the miners:

I recognize the importance of output and the seriousness of the situation, but the country is not going to get output, and has no right to ask for output, if there are people whose contribution to output is nil, and who receive the maximum benefit from the output of other people. I congratulate the miners on the great service they have rendered to the trade union movement by the conduct of their case before the commission. They have shown themselves statesmen in coming to the congress, because had they attempted to take action "on their own," I should have been the first to condemn them. I believe that state ownership of mines is interwoven with the prosperity of the country, and because I believe that the country is greater than a section, greater than this movement, I second the resolution wholeheartedly.

The solitary delegate who opposed was Havelock Wilson, head of the Sailors' and Firemen's Union of 65,000 members. He is pathetically ill with a trembling paralysis. After rising to speak he had to sit down, and from his chair he continued his minority talk with humor and lucid statement. He has an admirably clear and resonant voice, with perfect enunciation, a rhythm of tone and language, and all done naturally and without apparent effort at oratory. But in reality he is an artist, a master of the spoken word. It was not from any lack of respect for his great gifts, his former record as a labor leader, his vigor, his courage, that the congress defeated him in his candidacy for the new Parliamentary Committee and cheered loudly when his downfall was announced. The defeat and the demonstration were administered because his opinions are hostile to the views of 90 per cent of the workers, because of his attempts to split labor, because of his association with wealthy men, because of his use of the anti-labor press (such as the *Morning Post*), because of his employment

of direct action against the workers in refusing to carry labor delegates to international gatherings. The enemies of British labor have found in Wilson one of their staunchest, boldest champions. To labor he seems a lost leader, with something of the pathos and shame of Noah. I found myself saddened in this passing of the stricken, gallant, old man. I regretted that any one rejoiced. No one seeing him will forget that quivering, forespent figure. No one who heard him will ever forget the rise and fall of his voice, those unstrained intonations that went winged to the furthest gallery.

"The State are not the proper people to manage industry," he said. "Can you point to one single thing that it has made a success of?"

"The War," boomed a man, and the congress roared its delight.

Tom Shaw put the mighty and conservative forces of cotton behind the miners, and William Brace, the miners' M.P. of the right, followed him. Smillie then summed up:

Mr. Thomas said, and Mr. Brace agreed with him, that the government's reply is likely to be No. Their reply depends upon the determination of this congress. If we approach the government in that spirit, telling them that we believe they are not going to move, they will not move. That is not the way to move governments. Over 5,000,000 members are represented at this congress. People say that those 5,000,000 have no right to dictate terms to the nation, but what do the 5,000,000 represent? They represent a large part of the nation, and I want the congress to pass this resolution with the determination that the government must act and the government will act.

A card vote was demanded, and resulted as follows:

For nationalization	4,478,000
Against	77,000

Of that 77,000, Havelock Wilson's union includes 65,000.

The debate shifted to another footing when Tom Shaw, of the textile workers, moved for a declaration against "industrial action in purely political matters." He said:

Every one in this country knows that so far as the trade union movement is concerned there are two outstanding figures in the advocacy of industrial action—Robert Smillie and Robert Williams. Their idea of industrial action is to create a revolution in this country, and their idea of government is the soviet system of Russia. We were told only yesterday that Lenine was the great teacher of the age. I say that Russia is not free—her people have no chance of determining their own destiny. I say she is not socialistic. If socialism means anything, it means the nationalization of the means of production, distribution, and exchange, and their administration by the whole nation for the good of the whole nation. That condition of affairs does not obtain, and never has obtained, under the Lenine régime in Russia. To call it a republic is a misuse of terms. I cannot understand the mentality of any man or woman in this congress who proclaims that state of society a republic in which the people are denied the right to decide their own destiny and are governed literally at the end of a rifle.

Arthur Hayday, M.P., of the general workers, seconded Shaw's resolution. James H. Thomas, head of the railwaymen, rose to oppose the resolution, but he did it so skilfully that half of the newspapers next morning said he had favored it. It is not the least of Mr. Thomas' faculties—this of walking the tight-rope between respectability and revolution. He desires to hold public opinion and also his "radical" rank and file, who are increasingly moved by Cramp, Hodges, Smillie, guild ideas, the London Labor College, and other influences of the left. The vigor of his personality and the volume of his voice disguise the delicate balancing which he has done for a year. Actually he saw and said that labor could not give up its strike weapon, but that the weapon was a dangerous double-blade for the wielder as well as the victim.

Frank Hodges, secretary of the Miners' Federation, followed, and held the tense interest of the delegates as he had done at Southport. Later in the sessions Clynes was to hold it by the same power of reasoned statement—from the opposite angle. They are separated by a generation in years, and

their addresses put the case for and against direct action for political ends more tellingly perhaps than ever before in the industrial debates that are stirring all England.

Mr. Hodges has within the year become the voice of the young radicals of the movement. His influence is already on a level with that of Clynes and Thomas of the center, and of Sexton and Shaw of the right. He revolted from Ruskin College, and is a graduate of the famous Labor College (the institution of Noah Ablett and W. Craik, where modern Marxism is taught and propaganda frankly exploited as an element in workers' education). Only a little past thirty years of age, Hodges has learned one secret of influence—the secret that Clynes once gave away in private conversation. Said Clynes:

"From my study of Mr. Balfour I learned the lesson that bigoted raillery can never prevail against the carefully cultured self-restraint of a truly forceful personality." Then Clynes watched the contrast between Mr. Asquith and a playful literary Parliamentarian.[1] "Never once had I heard Mr. Asquith risk a witticism for the sake of pleasing either the House or himself. Not once has he allowed himself to forget that the safest weapon of leadership in so polyglot a House is dignity, and that the constant exercise of this weapon covers a multitude of sins. The longer a man of intellect sits in the House of Commons, the more certain does he become, that more politicians are undone by their jests than by their somber opinions."

Mr. Clynes has put his finger here on one of the sources of his own power over multitudes of men, and that of Hodges, Henderson, Thomas, Cramp, and Gosling. The power lies in high seriousness of tone, moderation in statement, absence of "personalities," cheap, clever phrases, mob oratory. And failure in this has led to a diminished influence in men of such commanding ability as Ben Tillett, with his fierce, untrammeled invective, and Robert Williams, with his façade of bright, scarlet phrases.

[1] Augustine Birrell.

Mr. Hodges said:

The present discussion reminds me of a debate which you can hear every week in the average debating society. It is academic: it disposes of nothing. It simply asks this Congress to come to conclusions on an abstract question, when presently you will have an opportunity of coming to conclusions on concrete questions which raise this principle. But as the matter has not been discussed, and we have had a revelation of the mind of Mr. Shaw, it is just as well that the discussion should proceed. Mr. Shaw has revealed what I had suspected was in the minds of many people who oppose those whom they describe as direct actionists. He said, to my surprise, that the desire of the direct action movement is to establish the Soviet system of government in this country. There is nothing more remote from the truth. *I do not believe that with the characteristics of the British race, and with our traditions and institutions, a Soviet system of Government would ever become adaptable to our country.* But that does not influence me in analyzing to what extent the labor movement exercises its functions in our own country, and whether it exercises them effectively, politically, or industrially.

What is the classic argument against direct action? It is the election of November last—the new Parliamentary register, which gives twenty million people the vote. Because twenty million people have the vote, and had the opportunity to exercise it last November and failed to rise to the occasion, the opponents of direct action say, "Until you have another election, you must not use industrial pressure upon the instrument you yourselves created last year." That is the classic argument. Let us analyze it. That Parliament was brought into being largely, and admittedly, by the vote of the working class, but a working class that had been buried in ignorance, caused by a system which had oppressed their mentality for generations. They had not developed a political consciousness sufficiently to see the value of returning three hundred or four hundred labor men to the House of Commons. Besides, they had no history of achievement to teach them the contrary on the part of the Labor Party of older days. The greatest source of education to a political democracy is the achievement of some power or party which alleges to represent them. If one wished to be vitriolic, one would say to the Labor Party:

"Where are the goods that you are supposed to have delivered?"

Having elected that Government to power, having been taught to believe, in their half-awakened political consciousness, that the Coalition would do for them things that the Labor Party said they would do if they were returned to power, this same electorate, after having had months of experience of the work of the Government they created, in my judgment have arrived at a stage of political thought and experience which gives them this new conclusion that "if we had another opportunity, we would not return a Coalition Government to power." But the electorate are denied the opportunity. A by-election here and there will not materially influence a party which has gained power by a misrepresentation of its own principles. It will not give up authority because of a few internal political dissensions. Its majority substantially is what it was in November of last year, and it continues to act as though it represented the wishes and desires of the electors. I challenge that conception. And it is because no political constitutional channel is opened up for the people that men have to resort to the philosophy and concept of direct action.

The Labor Party has done all it is humanly possible to do. I am astonished that, in view of the impotence of the Labor Party, caused by circumstances over which it has no control, it does not more frequently come to the industrial movement and say, "We are overweighted and crushed by a great political despotism. Come to our assistance in order that we may have power at our elbow to shatter the institution and re-mold one on better lines."

Mr. Thomas can find no definition which clearly discriminates between a political question and an industrial question. Is a purely political matter one which seems so remote from industrial matters as neither to influence them nor be influenced by them? Let us take an example. Suppose this Government comes to Parliament and says, "We have decided to embark on a new war." That would be a political question, but it would have industrial and social effects, and if such a Parliament did such a thing would it not be morally and socially right for the Labor movement to test its capacity for resistance to the project? It might go down. Its capacity for resistance or attack might not be so great as some of us fondly hope it would be, but to challenge this

right to make the attack is to misunderstand the function of a Labor movement, whether it be political or industrial. The continuance of the Defense of the Realm Act, and the continuance of conscription, are purely political questions, but who will deny that they affect us in our industrial lives and in proportion as they affect us industrially they become industrial questions? *If at any time in the history of a political institution it prevents the expression of force and power which can be found in an institution outside it, that institution is responsible for the concept of direct action, and not the Labor movement.*

The greatest propagandist of direct action is Mr. Lloyd George himself. He teaches us the elements of direct action, and he must accept the consequences of perpetuating a political institution which we believe to have outgrown its functions and become anomalous. On the abstract question of the rights of the workers to use direct industrial action for political purposes, I hold that the workmen's rights are unchallenged and unchallengeable. Members of the Labor Party—I would warn you—because it is politicians for the most part who have urged their philosophy against us—I would warn you that the time is not far distant when you yourselves will have to come to the industrial movement and say "we must have your assistance and support to accomplish something which to us is fundamentally right in the interests of humanity." I feel sure that you will come, because circumstances will compel you to come. For these reasons I ask the Congress not to be led into a decision in favor of this resolution because of its academic, abstract, and mischievous character. If you want to express your views on direct action let it come on conscription, on Russia, on military intervention in trade disputes. If you decide that you will not take industrial action on these questions, it will not be because you have accepted the philosophy of continuous political action, it will obviously be because you have come to the conclusion that conscription, military intervention in Russia, and military intervention in trade disputes, are not big enough questions to justify you in action.

I ask the Congress to turn down this resolution. When in future a conference is called to give its decision on the question of direct action versus political action, let it be upon a concrete fact, and if that fact is big enough, if it is unsocial enough, if it is sufficiently in antagonism to the best interests of the working

class, I have no fear that the working classes will not say, "We will use to the very fullest capacity the power that we feel we possess to rid society of a tradition and an institution which dwarfs and threatens and thwarts the working class wherever they turn." *The antagonism between political and direct action will grow. It will reach its pinnacle when the industrial classes challenge the existence of the capitalist system.* I warn you in preparation for that day, which may be far distant or may be near: Do not create a new tradition which will effectively prevent you from acting at the great historical moment.

It is wise to report Mr. Hodges at length, because he is the most promising and already the most powerful young man in British labor. Unlike most of the older leaders, he has a policy and a philosophy. It is as necessary to learn his mind as that of Lord Robert Cecil and Sidney Webb, if we wish to understand modern Britain.

After a brisk and brilliant debate, the previous question was put—which means "passing the buck," an evasion of the issue. The congress refused to decide against direct action. If they had passed this resolution, it would have put them in this position: if they went to the Prime Minister, and he refused their request, they would then have been pledged not to exert the only pressure immediately open to them.

James H. Thomas, in moving the resolution on Russia and the military service acts, and, failing repeal and withdrawal, the calling of a special congress to decide what action shall be taken, said:

The unfortunate thing in discussing Russia is that those who demand some clear statement of policy or who protest against men being conscripted for one purpose and used for another, are invariably met, not with a statement of the case, not with a defense of policy, but the war-cry that they are sympathetic to Bolshevist rule. I will only answer that by saying that, so far as this congress and the labor movement are concerned, we refuse to give the right to any government in any country to interfere, to dictate, or attempt to mold that policy which must be the duty of the people themselves.

Smillie supported the resolution, saying:

It was put by Mr. Shaw that all our efforts in the direction of direct action were for the purpose of endeavoring to bring about a revolution. Personally I give that the lie direct. I am prepared to accept that sort of thing from dukes and capitalists, and capitalist newspapers, but it is too mean, too contemptible, for one comrade to say of another. We have been charged also with conspiracy and sedition. Any man who at all times keeps before his eyes the sufferings of his class, and recognizes that capitalism is the cause of that suffering, will always be charged with trying to foment revolution.

I have for thirty years preached the necessity of an industrial revolution in this country, and I will go on preaching that, so long as my life continues. Life at the present time, and in the past, has not been worth having, and it is our business to advocate an industrial revolution. I do not desire to see an armed or a bloody revolution. I am an evolutionary revolutionist.

Tom Shaw himself followed in support:

On the vital issue there is no difference of opinion. Not a man in this congress believes in intervention in Russia. We should not shed one drop of British blood on an internal Russian quarrel. Conscription is bad in essence, and is not to be tolerated in peace. I shall welcome the time when we come to grips with the question whether or not the working people shall adopt direct action. Mr. Smillie will find that I am as keenly with the majority as he can be.

Then it was that Clynes answered in a speech, so clear, reasoned, and moving, that the congress responded in round after round of applause. It was entitled to the same respect and received it, as the statement of the new order by Smillie and Hodges. No other man in the British labor movement is comparable to these three in reaching the mind and heart of a multitude with the memories and traditions, the hope and aspirations of their group inheritance, projected in wide survey and touched by personal suffering.

Mr. Clynes said:

I do not mind a special Congress being called if an unsatisfactory answer is received from the Government in regard to the great questions referred to in the resolution. When the Congress is called we shall have an opportunity to see what the desires of the rank and file are. Meantime, I hope you will allow some reference now to the other subjects referred to by Mr. Smillie. It is possible for one to get into a habit of mind of believing that he is the only just man in the movement; that when he calls it is to be hoped that all other men will follow; that when he leads the lead must be in the right and wisest way. Now it is possible for that man to be mistaken and not know it.

I go as far as any one in the desire to see property nationalized which should be the property of the nation. The mines, minerals, waterways, land, the whole of the great factors which are the arteries of the national life, ought, in my judgment, to be nationally owned and democratically and nationally controlled. The question is not one of what ought to be done, it is a question of how you are going to do it, and it is possible for men to have quite honest differences of opinion on matters of policy and questions of method.

The older I have got in this work the more I have seen the futility of methods of violence. Mr. Smillie does not want, of course, violent methods at all, but that is the first thing that direct action will get for us. Bring out your millions of men, tell them they are coming out for a day only, a trifle, a strike for twenty-four hours, and perhaps it will run into forty-eight. Having got two days you will want two days more. It is far easier to get your men out than to get them back, and all the time your Government and the other remaining parts of the community, you imagine, will be doing nothing. They will simply be waiting for the moment of labor's victory. Surely all experience is against any such lame and impotent conclusion as that. You cannot bring millions of men out to begin a great struggle like this without anticipating a condition of civil war.

Your Government would not be standing idly by. The stoppage of the industrial and social life of the community would require on the part of the Government some attempt to keep things going, some attempt to get food and supply the immediate needs of life. In the comparatively small disputes that we have had in this and other countries we have seen how soon the tend-

ency to violence has been manifested, and how soon riot and bloodshed have been the consequences of action of this kind.

Direct action is blessed in the possession of an attractive name; it is blessed in nothing else. It means the breaking of workmen's heads and the breaking of women's hearts. It would give to every other section of the community the right, in the days of a Labor Government, to imitate the bad example which Labor had set. We fought, and have been fighting, for years as long as the oldest man in this Congress remembers, for Labor to capture the political machine. That part of the battle has been won, and as soon as the working man has got the means to capture it we tell him that the course is without hope; we allege literally that he has no sense how to use the enormous voting power which he possesses. You are taking a line which weakens the hand of the Parliamentary Labor Party, you are confusing the mind of our own class in the country, you are alienating the sympathy of the great masses of well-meaning men and women of other classes than our own, without whose sympathy and support you cannot hope to capture the political machine, and become the Government in place of the Government you have now in existence.

Imagine the Labor Government in power. It is certain that it will not long have been in office before a few millions of people will allege against it that it is exhausting its powers, it has no mandate for this and no authority for that. Do you mean that in those days those who disagree with the action of your Labor Government will have a right to resist your laws, to trample on your decisions, and to resist by unconstitutional action the administrative and legislative acts of the Labor Parliament? Are you going to concede, in the days of Labor's power, to every other class which is put under your authority the right to resist your laws as you say you have the right now to resist them, by the use of the strike weapon? You will, I say, set to all other classes the bad example that you ought to be the first to avoid. Having got your political power your next step is political agitation. Do not delude yourselves with the conviction that your class is united. If they are not united enough to go willingly and intelligently to the ballot box you deceive yourselves by thinking that you can drag them out of the workshop against their will, or that, having got them out, they will fight as an intelligent and

united body until victory is won. That is the mistake which the direct actionists are making.

Taunt me if you will with being more or less of a fogey, if I say that I believe enduring and sure progress must be slow progress. I deliberately assert that that is the doctrine of all history. Do men think so highly of themselves as to believe that in this their time they somehow have been ordained completely to turn the world round, and change the condition of things, so that when they have finished nothing more remains for mankind to do? This is an old country. It is only within the last half century that the working classes have got any power. They have not yet got the consciousness of it, but the power they have got—this right to vote, the hallmark of real liberty, the stamp of the free man, which makes the poor equal to the rich—nay, which would make him superior to the rich if he would unite and use his right, the right of education, the right to unite and collectively apply the great constitutional power he acquired. All these things are new. We have not yet learned how to use them wisely.

I am well content, looking along the centuries, to see that my class in the day in which I happen to live have acquired this enormous power. I am content if I can do a little to teach them how wisely to use the power. Looking ahead I can see Labor in the seats of power, and I want Labor's laws to be respected and observed, just as I ask Labor to observe and respect them now. I agree with all you can say against the Government, for I have said it to their face, in regard to conscription and Russia, and each one of our other grievances. But what a state of social turmoil must there eternally be if each aggrieved class in the country is to claim this right to revolt.

To get conferences specially arranged in order that we might deliver speeches to each other is a waste of trade union money and our own energies. Are we, each time a man's head is full of fine language he would like to hurl at some Minister, to get together a special platform for him? Does it mean that our friend Mr. Robert Williams must have a special public opportunity of selecting the particular adjectives with which he will choose to call Mr. Churchill a liar? We have more important business than this to do. Our business is not so much that of converting our enemies, as of converting our friends, and we will not convert our friends by threats. Labor is only beginning to

learn how to govern. We are just on the threshold of the wise use of the enormous authority we have acquired, and while you are asked to use your pressure to get your Government to conform to your wishes on conscription and Russia, I beg you not to go further and challenge the existence of the State, and claim the right to a class dictatorship. Workmen who say they cannot be driven but can be led must also concede to other Britons of other classes the same feeling. You must lead them, persuade them, guide them, convert them, and when you have done that they will join you in seeking to change the conditions which oppress them equally with yourselves.

This is the most comprehensive and exalted expression in the past year of the philosophy of a labor leader of the older generation. There is perhaps no greater debater in the labor movement.

The resolution was carried with only two voices raised in protest.

"The most important trades-union congress in the history of the British labor movement" came to an end with a debate on the question of Ireland. The question was raised on the following special resolution, moved by J. H. Thomas:

This congress views with alarm the grave situation in Ireland, where every demand of the people for freedom is met by military rule. The congress once again reaffirms its belief that the only solution is self-determination, and calls upon the government to substitute military rule by self-determination as the real means whereby the Irish people can work out their own emancipation. This congress expresses its profound sympathy with our Irish brethren in their hour of repression.

With the new Parliamentary Committee inclining toward the earlier conception of the function of a trade-union movement, the fighting policy (labor is nothing if it is not militant) clearly depends for its dynamic and its direction on the chairman. J. H. Thomas was elected chairman of the Parliamentary Committee and therefore chairman of next year's congress, and of any special congress. His summing up of the

congress is of importance because it reveals what he considers the mandate given to him, and shows in what direction he will exercise his leadership. He says:

The congress felt that after the appointment of a royal commission to consider and report on this matter (the mines) the government were morally bound to accept the findings of the commission. There can be no doubt that the workers are behind the miners in the demand for nationalization, not, let it be observed, because of any benefits to accrue to the miners as miners, but on the much broader and sounder ground of a proposition of interest and benefit to the state as a whole. The principle was clearly put that no section of the state is greater than the state as a whole, and it is in that spirit that the proposal was carried.

Considerable confusion exists with regard to the vote on direct action. There was no vote for one simple reason, that the wording of the resolution submitted could have been construed as giving away the right to strike under any circumstances.

On conscription there is only one thing to say—we succeeded in crushing German militarism and we were told that among the other advantages would be a reduction on military expenditure. This year's budget gives the answer, and the fact that the number of men—volunteers—in the army to-day is greater than the pre-war standard is sufficient comment on the situation.

In short, the labor movement, through its congress at Glasgow, is not only alive to where we are drifting, but intends to play its part to save the country from ruin.

Inside the Parliamentary Committee, in these years of crisis, Thomas has unflinchingly given his vote to the side of internationalism. This coming year, therefore, the Parliamentary Committee can be counted on for five things:

1. To work in closer harmony with the executive of the labor party.
2. To co-operate in the labor and Socialist international.
3. To stiffen up and strengthen the National Industrial Council.
4. To get a move on the Parliamentary Committee in general business. Thomas is a hustler in execution when he receives a mandate.

5. To watch carefully the currents running through the rank and file, and not seek merely to suppress them.

It is probable that we shall see either a general election or special congresses within the next few months. Such a special congress might well force a general election. The congress will deal with a "burning issue," not with the abstract question of direct action. It would prefer a general election to a general strike. It is not ready to substitute the congress for Parliament. But it showed at Glasgow that it is determined to have a representative Parliament and a democratic Government.

Any one reading this report of congress would gather that Smillie, with the organized power of the miners back of him, was the chief figure of the congress. He was. He had so carried the congress in his stride that the 847 other delegates could do no less in their British self-respect than assert that they, too, were among those present, and defeat the miners' candidates for the Parliamentary Committee, and re-elect most of the group they had just censured. It was either that or make him the lone leader of all labor. This is something they have never done for any man.

The *Glasgow Herald* (an anti-Smillie paper) said on September 12, "Events have conclusively shown that Mr. Smillie is the dominating personality of the congress." The *New Statesman* of September 13 said:

However wrong his methods may be, the indisputable fact remains that Mr. Smillie has done more than all the parliamentary labor leaders put together to make a continuance of Mr. Churchill's Russian adventure impossible. Without him and his direct actionist friends it is, to say the least, doubtful whether the labor view on this vital question would have obtained any hearing at all. There is surely something there to be remedied.

Alexander M. Thompson, the labor writer of the *Daily Mail,* says of the vote for nationalization:

That is the net result of one strong, determined man's grim tenacity to one fixed and unalterable idea. The only possible end to the fight on which he has entered, Mr. Smillie solemnly told the congress, is the nationalization of the mines, and his impassioned advocacy of that end carried the assembly like a rushing mountain torrent. It was a speech of great eloquence, evidently intense feeling and persuasive discretion. The result of the vote was never in doubt, but Mr. Smillie's oratory made assurance doubly sure.

The difficulty of disposing of Mr. Smillie was that no leader was more in control of his rank and file. Where other leaders have split their following, he had the backing of his miners. They have been resolute constitutionalists in their trade-union and congress proceedings. To attack Smillie personally is impossible. His honesty in agreements has been testified to by Lord Askwith in the House of Lords. His personal life is the pride of Lanarkshire workers. He is attacked politically by most of the press of Great Britain. The wearing effects of such criticisms are cumulative.

All sections of the left had united on Smillie in making him their spokesman. They were pushing him out upon every strategic platform. He had dominated the Coal Commission, the Southport labor conference, and the Glasgow congress. In the quality of his utterances I feel that he is stretching himself beyond the power of his physique, that he is at the end of his working life and knows it, that we are listening very literally to the "last words" of one who will be a tradition in Britain.

CHAPTER VI

THE RAILWAY STRIKE AND THE FOURTEEN

THE railway strike resulted in a settlement—not in a victory for either side. The Government has stabilized wages for the next twelve months, and has opened the whole question for fresh discussion. What is called its "definitive" offer is thus thrown back into the melting-pot. The railwaymen will continue at their war wages till next autumn.

For the first time a representative body of trade-union leaders acted as mediators in a wage dispute. They did not make the terms of settlement, but they continued to bring the two parties into negotiating touch with each other. They made the railwaymen and the State "behave."

The mental attitude of the committee was expressed by Mr. Clynes, who said that, like all trade-union leaders, he regarded the terms originally offered to the lower grade railwaymen as the beginning of a deliberate attempt to bring the general subsistence wage back to the 1914 level, and this return to intolerable conditions he emphatically declared must be resolutely resisted by all classes of organized workers.

"The Prime Minister himself has urged us," he said, "to be audacious in our demands. We are too anxious for the prosperity of industry to follow his advice, but we do not think we are showing audacity in insisting that the shameful industrial conditions of pre-war days shall not be restored. For the efficiency of the nation and the welfare of the State we think it our duty to stand firm for the upward progress of the people's standard of life."

The fourteen men who brought about peace were appointed by the conference of trade unions called by the Transport Workers' Federation.

Mr. H. Gosling (President, Transport Workers' Federation).
Mr. R. Williams (Secretary, Transport Workers).
Mr. J. R. Clynes (President, General Workers).
Mr. A. Henderson (Secretary, Labor Party).
Mr. Muir (Electrical Trades Union).
Mr. E. Bevin (Bristol Dockers).
Mr. J. O'Grady (Furnishing Trades).
Mr. J. T. Brownlie (Engineers).
Mr. J. W. Bowen (Postmen).
Mr. T. E. Naylor (Printing Trades Federation).
Mr. R. B. Walker (Parliamentary Committee, Trades Union Congress).
Mr. C. W. Bowerman (Secretary, Trades Union Congress).
Mr. F. Hodges (Miners' Secretary).
Mr. G. H. Stuart-Bunning (Postmen, Parliamentary Committee, Trades Union Congress).

The *Westminster Gazette,* October 7, 1919, says:

To us the experience of this time seems to be something like the discovery of a new principle which ought next time to serve first instead of last. This is the rôle of the neutral trades, which, acting as mediators between the Government and the railwaymen, found the way out which baffled the disputants. The eleven, or the fourteen, as they subsequently became, played a new part of the utmost importance, and played it, by common consent, with great discretion and moderation. If they became a permanent part of the machinery of conciliation, and it became a regular practice to consult them at a given stage in a dispute, we ought to get rid of a great part of the suspicion which attaches to the ordinary forms of conciliation and arbitration.

Mr. Arthur Henderson handed me this statement on the same point:

The " fourteeen " representatives appointed by the Trades Union Congress were all of them connected with Labor Organizations whose interests were affected by the crisis. They held as between

the Railwaymen and the Government a position of very great delicacy. They confined their efforts mainly to bringing the two parties together, leaving them to settle the dispute for themselves and taking very little part in the discussion upon the merits of the Railwaymen's case between the Railwaymen and the Government. But they kept in close touch with both sides, almost from hour to hour, making suggestions to one side or the other, restarting negotiations which seemed to have broken down, and being present at the joint discussions when, as a result of their efforts, these discussions were resumed. Because of the vast interests involved they were anxious to avoid an extension of the Strike which would have had incalculable consequences, but as the negotiations dragged on they became more and more convinced that the original attitude of the Government towards the Railwaymen's claims would have to be considerably modified if a catastrophic breakdown of industry was to be averted.

It was a peace without victory—a peace with honor, which in my judgment did essential justice to the Railwaymen, and it contained a promise of a generally satisfactory solution of the whole wage question which, as a result of the war, has passed into a new phase. I am not sanguine enough to think that the settlement will prove a millennium, or that the employing classes have undergone a miraculous change of heart. There were many activities in this strike which showed how near we were to a real struggle of class, and showed also how destructive that struggle must be. Many things were said which were better forgotten, some things were done which ought never to have been possible, but the settlement stands as a prime achievment of responsible Trade Union leaders who intervened in the struggle not simply in the interests of their own class but to serve the best interests of the community. It points the way to that developing partnership of the Trade Unions in the control of industry which is the working class policy.

Those Trade Union leaders who have been closely concerned with important industrial events during the present year are compelled to recognize that the failure to secure organization of a national industrial council has been nothing short of a disaster. The spirit which pervaded the discussions between employers and Trade Unionists in the joint committee set up by the joint Industrial Conference called by the Government last February, en-

couraged the hope that one great defect of our industrial system would be removed. Had the National Council existed, I am confident that the dispute between the Government and the Railwaymen's Union would never have developed into the actual stoppage. If I am asked why the unanimous recommendations of the Employers' and Workpeoples' representatives have not been carried out, I can only reply that the responsibility does not rest with them but rather with the Government which has been unwilling to regulate the hours of all employed persons by legal enactment. It is of the utmost importance that every effort should be made to remove the bad impression thus created and to restore the confidence of organized labor, which will make it possible for the producing classes to feel that they are really partners in industry and that their interests lie in securing the conditions of its success.

In the *Daily News* for October 7 and 8 Mr. Harry Gosling, President of the National Federation of Transport Workers, writes:

What men like myself are now setting ourselves to do is to construct a new channel by which the force of the movement may be regulated. Already a proposal has come out of the strike that we should form a central executive empowered to act for the whole body of Trade Unionism in negotiations with the Government. At present each unit of Labor has a substantial head, but there is no head at all for the whole Labor movement when it comes to a matter of industrial action. This new body would be similar in constitution to the executive of the Trade Union Congress but more closely knit, more powerful and more readily brought into action.

You may argue that such a body would be a danger to the State, because *it would be a rival to the executive of Parliament, which is the Cabinet.* My reply is that a gigantic movement calls for a powerful instrument. If no such powerful instrument is in existence the movement will break bounds and chaos result. To put it bluntly, you must either have this or something very much worse.

The time has come when the political Cabinet must take an industrial partner. The young men are demanding it, and although

it may be easy enough to chloroform old men like myself, you can't chloroform the rising generation. Let us work, then, with all our might to establish co-operation rather than rivalry between these two forces within the one nation.

I know a very great authority who has worked out what it cost him to "win" a certain dispute. It cost in the first year after the "victory" something like 30 per cent in depreciation of output owing to discontent, and a number of years passed with a declining loss in each, till he got back to the normal. A "victory" for capital involving an unconditional return to work is always at bottom a defeat. Lord Devonport beat us at the Docks in 1912. He won.

But ask Lord Devonport to-day how much he won, and if he replies frankly, you will get a surprising answer. Year by year ever since 1912 we have been "getting our own back." It had to be done, but nevertheless it has been a bad thing—for Labor, for Capital, for the community.

It is my hope that the railway strike will induce the general public to think along these lines. Unless they do, all the efforts of the mediators cannot prevent the coming of a class war. Such a war, if it comes, will be intensified as a result of the great European war. The war showed a great number of men that force is indeed, a very effective thing. It taught them to think of sheer force as the live end of any cause.

Moreover, these men who have come back from the war do not regard mere physical consequences quite in the light they did before. We find, therefore, that *those who have fought at the front are the most difficult to control and restrain in time of crisis.* Let the nation take warning.

During the crisis the State laid aside its sovereignty and sacred impersonality and became, very simply, two men, Sir Eric Geddes, representing the employing class, and Mr. Lloyd George representing the middle class. It became a noisy, short-tempered, clever advocate, scoring points; a lively fellow—an amalgam of a grim, strong man, who clicks his teeth as he utters ultimata, and of a charming temperamental man, enjoying the debate. This brisk entity of the State advertised its case in the newspapers, chalked up big snappy

posters on the billboards, and flashed jolly controversial statements on the movie screens. The State revealed itself as a very human, likable, one-sided, rather inaccurate person. It finally came as a relief when those eminently judicial persons, Henderson, Gosling, Clynes, Brownlie, entered and lifted the dispute into the atmosphere of statesmanship.

As usual of late, Parliament did not act in the crisis. As the *British Weekly* puts it, "We have had on the one hand the inner Cabinet, and against them the trade unions, and between the two the House of Commons has nearly come to the ground." Parliament has been out of the main current of events during the War. And it was just its luck to be in recess at the time of the strike. It would not have been able to function because the industrial struggle selects committees of producers for its arena, but Parliament could have talked.

The strike showed that motor transport, as developed by the War, has added a new medium of communication. The Government had secretly organized a skeleton service for transport of food, milk, and other necessaries, and a system of civil helpers. As the result, the paralysis of the railway service was not a paralysis of the daily social life of the community.

Of this new organization Mr. Lloyd George said:

I have to take this opportunity of thanking the multitudes of volunteers who came to the rescue of the State in these circumstances. They have come in their thousands and tens of thousands. In February I came to the conclusion that there were signs that this was coming. I felt it my duty to leave the Peace Conference, because matters at home needed our attention. Under the Home Secretary the Government built up a civilian organization to meet the situation. The organization has worked well.

Robert Williams, Secretary of the National Federation of Transport Workers, says of this organization:

The strike shows that there are hundreds of thousands of able-bodied men who are willing to assist in breaking a strike and

contribute some temporary useful service in order to cling to their domination over, and dependence upon, the organized workers.

The loafers from the Piccadilly clubs went down to the Underground Railways in order to break Trade Unionism, and then to go back to their lotus-eating existence with a feeling of victory over the exploited. That is no new thing. The one encouraging feature in the dispute is that few if any workers blacklegged upon their fellow workers. The blacklegs in the main consisted of military and naval units, together with the young cubs of the middle and upper classes, who hate and fear Trade Union possibilities.

Out of the dispute there must instantly emerge some organization which will be sufficiently powerful to challenge all the vested interests organized to prevent Labor's steady progress. The less one says of the Parliamentary Committee the better.

The *British Weekly,* October 9, said:

We must get hold of these dukes and earls who helped us with the railway, and set them to work in some other manner.

The whole experience has enormously strengthened labor, because it has made clear the fact of class hostility and because it has emphasized the immediate need of labor unity, central government, a general staff, and a mass program. A "lightning" strike, unannounced to the Triple Alliance, unexpected to other trade unionists, must be made impossible. The effect of the dispute is that trade unionism will strengthen its central government. This will be done in one of three ways, either by increasing the executive power of the Parliamentary Committee, or by forming a special sub-committee of the National Industrial Council, or by making permanent such a body as "The Fourteen," who engineered the settlement of the railway strike.[1]

[1] The Trades Union Congress of December, 1919, took steps toward forming a strong central executive body.

Further, the strike has revealed the difficulties of reaching public opinion. The newspapers mainly represent business and middle-class interests. Their handling of the facts, their emphasis on one set of facts as distinct from another set, their appeals to herd instinct, rendered their accounts of the strike *ex parte*. Of the persons I talked with I found that their opinion of the strike was made up 50 per cent of personal discomfort and 50 per cent from the newspaper which they read. The atmosphere of these days of crisis was passionate rather than temperate.

The *Times* said, "Like the war with Germany, it must be a fight to a finish."

J. H. Thomas said, "That the nation was nearer a civil war than it has ever been before cannot be questioned."

The immense difficulties of a country which has always paid misery wages to a large proportion of its workers and has maintained a mean standard of living, can be realized by the wage-scale offered to the railwaymen by the Government. Here, for instance, is the "definitive" scale sent by Sir Auckland Geddes on September 19 to the National Union of Railwaymen for the Goods Department:

Goods Depot Staff	London	Provinces	Small Places
Porters, Sidingmen, Lift Attendants, Gatemen, Watchmen, etc.	47/–	44/–	40/–
Callers-off, Cranemen, Loaders, Gas Enginemen, etc.	51/–	48/–	43/–
Checkers, Storekeepers, Gaugers, Warehousemen, Timekeepers ..	55/–	52/–	46/–
Working Foremen, Searchers and Tracers, Senior Checkers, etc..	58/–	55/–	50/–

Translate this into American money. A wage of from $8.40 to $12 a week was offered to men who had fought the War and are trying to rear a family. The men struck in order to keep the wage which they had gained during the War, and which averaged a few shillings above the Government offer. The men involved included porters of all kinds, ticket col-

lectors, conductors, baggagemen, shunters, checkers, carmen, platelayers.

The Right Hon. C. F. G. Masterman writes:

> An attempt was made to force a large reduction of money wages upon a large class of Government servants. It was made in secret. It was made without the sanction of a Parliament. It was made without any public discussion whatever.

And he speaks of "the curious campaign of advertisement—a campaign in which the railwaymen's funds competed against taxpayers' funds in part forcibly contributed by the railwaymen themselves, who thus paid for their own attempted defeat."

As high an authority as Mr. Sidney Webb believes that "there is a policy of generally lowering wages, there is an intention, in some quarters, of 'smashing the trade union by a fight to a finish,' and this railway strike was deliberately intended and provoked."

The Government attempted to reduce wages and failed. The settlement is a compromise and a postponement. The real fight will come later. "The railwaymen have checked the first attempt to reduce the wages of all manual workers."

Labor no longer trusts officials and Government. Labor believes that they speak in a Pickwickian sense, that their promises are swinging doors.

The *New Statesman* says:

> It is men like Sir Eric Geddes—clever, strong, fundamentally stupid men—who make revolutions. And it is men like Mr. Lloyd George and Mr. Bonar Law—men who do not tell the truth and who thus undermine the foundations of public confidence—who prepare the way for the Geddeses.

Mr. Asquith at the Lord Mayor's banquet of 1911 laid down the three principles on which a Government might act in time of strike. "The Executive Government must provide

the machinery and facilitate the methods of conciliation. It must maintain order, and secure the community at large against the stoppage of supplies and the suspension of services which are indispensably necessary for the maintenance of its every-day social life."

SECTION THREE

THE WAY THEY DO IT

CHAPTER I

THE WAY THEY DO IT

As fast as full pressure is brought, the opposition gives ground. That is why there are not any jutting flames, and bloody futile riots, and the other theatricalities of orthodox revolutions. Here Ramsay MacDonald eats breakfast with Lloyd George, and debates direct action with Mr. Balfour. Tawney goes prancing out with a coal owner whom he has relieved of superfluous gains. Sir Allan Smith and Mr. Arthur Henderson spend many hours in hatching a plot against autocracy in industry. A great employer begs his shop stewards to catch up more of the slack and bite off a bigger share in factory management.

It seems comic opera to the European revolutionary (like the time when Arthur Henderson opened a banquet, including international reds from the continent, with an invocation to the Almighty). But it isn't comic opera. And it looks like a Dorcas sewing circle to the American business men and the stalwarts of the National Civic Federation. But it isn't a meeting of maiden aunts. It is neither wild nor innocuous. It is British. It disguises the fact that a vast shift has been made. That famous moment of history has come when a nation ushers in another class to power.

What will happen if demands are not granted? I heard Mr. Sidney Webb one evening tell what would have happened if, when the miners pushed, the door had not opened. Then I read it word for word in the *New Statesman* (of March 29, 1919). So I am justified in stating that Mr. Webb says:

If the Miners' Federation had rejected the terms offered by the Government and had withdrawn, on the expiry of the strike notices, the labor of their eight hundred thousand members; if the National Union of Railwaymen and the Associated Society of Locomotive Enginemen and Firemen had been equally recalcitrant with regard to their own quarrel with the Government, and had drawn out their half a million members; if the Transport Workers' Federation, which had its own claims, had cast in its lot with the miners and railwaymen, as it was probably bound in honor to do, Great Britain would have been nearer a social revolution than any one had previously thought possible. These organizations, united in what is called the Triple Alliance, comprise, with the families of their members, something like seven million persons, or one-sixth of the whole population of Great Britain. A struggle between them and the Government must have been fierce and relentless. It must have been short, for the whole country would have been, in a week or two, fireless, foodless, trainless, and wageless. The Government would necessarily have stuck at nothing to suppress what would have been—lawful as it was—essentially an act of civil war; within twenty-four hours the whole country would have been in military occupation. The Ministry of Food, which has in its hands the greater part of the supply, here or arriving, of the principal foodstuffs on which the whole population depends, must necessarily have taken in hand the food distribution. Whilst it worked, by an extemporized staff, such attenuated train service as would have been possible, the whole fleet of motor lorries which the War Office has at its command would have been organized as an auxiliary transport service. The mining districts would have been strongly garrisoned with soldiers, and the Government had made precautionary preparation for other steps of which we prefer to say nothing. Never in the whole history of this country should we have seen such a display of force against a popular movement, itself absolutely unexampled in magnitude.

The miners, railwaymen, and transport workers, on their side, would have commanded great resources. In withdrawing their labor, after due notice, they would have committed no illegality. Their aggregate accumulated funds amount to several millions sterling. More important even than their corporate funds, and less vulnerable, are the very considerable individual savings of

their members, which would have been freely advanced in support of their corporate action, and above all the credit that would have been at their disposal. Up and down the kingdom the mining districts and the great railway centers are the special strongholds of the Co-operative Movement, of which an enormous proportion of the million and a half strikers would have been members. Nothing could have prevented the fifteen hundred Co-operative Societies from allowing their own members credit for their weekly purchases, and this would have been freely granted, at least up to the amount of the members' share capital and deposits. No action of the Government could have prevented the English and Scottish Co-operative Wholesale Societies, which have their own farms, their own flour mills and bakeries and their own food factories, from supplying their own constituent societies. And the million and a half miners, railwaymen and transport workers would probably have found allies. It would not take much to bring out the electrical workers, the engineering and shipbuilding trades, and all the organized vehicular workers. If food ran short, from whatever cause, the men would have marched to the food—with unimaginable consequences if they were stopped by the carefully planned military cordons which the War Office had prepared. If the Government had, to use Mr. Bonar Law's words, used all its resources to put down what it would have regarded as civil war, and had, in some unforeseeable way, succeeded, it would probably have kindled such a flame of industrial rebellion, or at least set smoldering such a persistent resentment, as would have had political as well as industrial consequences that no man can measure. The Government should remember that there might be such a thing as a "stay in" strike, to which beaten men, smarting under a sense of injustice, are apt to resort, even against all the efforts of their Trade Unions. If, on the other hand, the whole kingdom was smitten with paralysis by a month's lack of coal—and even an omnipotent Government cannot get any considerable quantity of coal hewn without the hewers—and the Ministry had been driven to accept (as, in our opinion,—which we expressed last week—would have happened) the terms dictated by the workmen's Executive Committees, this country would have come very near to the end of Parliamentary Government. Once the strike had started, it could not have ended, whatever the result, without the gravest national disaster.

On the same theme, Mr. Robert Williams, Secretary of the National Federation of Transport Workers, and therefore one of the big chiefs of the Triple Alliance, speaks with authority:

The Triple Industrial Alliance is by far the greatest attempt made in this or any other country to win for the workers "Temporal Power." One can hardly say whether we shall see it in use during the next few weeks: that is a matter for speculation. A prominent member of the sub-committee of six once remarked that the Alliance could be used only on one occasion. He meant that if it failed, it would be useless for all time; whereas, if used with success, it would leave the working class masters of the industrial and political situation.

I am not sure that I am quite in agreement with that prophecy. For instance, the Triple Alliance has been tested during the war. It is fairly well known that the politicians had made up their minds to introduce 300,000 colored indentured laborers into this country in 1917 to relieve more of our own workers for the organized butchery in France and Flanders. That outrage, connived at by Mr. Lloyd George, was thwarted by the action of the Triple Alliance, and ships carrying the colored workers to be landed at Southampton were diverted to Marseilles. This at least shows that the Alliance can be used with some effect, although strike action was avoided by the capitulation of the Government. On the other hand, I can readily foresee the power of this organization used again and again without the workers establishing for themselves economic freedom. Everything must depend upon the mental, as well as the industrial preparedness at any given time when action is contemplated.

That quotation shows Mr. Williams in one of his two moods—his mood of careful statement. As in Belgium and Switzerland, you have to understand two languages in order to know what the shindig is really about, and where the meaning lies. Mr. Williams (like many another Briton) is sometimes loud on the hustings, but always cautious in committee. He hangs a "To Let" sign on Buckingham Palace, and returns to work out the patient details of a wage increase for port and harbor employees. And because a trade of his fed-

eration has pledged its word, he helps in the dreary committee work of an industrial council for one of his trades, although he has no great faith in the blessed word of Whitley. There is Ramsay MacDonald, the prize orator of internationalists, than whom there is no more canny, responsible man on foreign affairs in Downing Street.

The British like to be energized by loud explosions into a dignified, sure-footed motion. They carry a shock absorber which lets the machine bump rocks without jarring the occupants. They have a gyroscope which sucks up all the careening and holds a steady keel. But do not think that the tide isn't running with a brisk wind and splashy waves. In high excitement, American newspaper correspondents ferried over from France when the British miners struck.

"The big show is on," they said, "the social revolution has come."

And then I saw only one of them in daily attendance at the Coal Commission, where the social revolution was taking place. The shock absorber and the gyroscope were at work, so that Mr. Justice Sankey did not seem to be continuing the tradition of Robespierre. The landowners lost their minerals, but nobody lost his head. Fires still burn, though the miners have taken over an additional $150,000,000 a year.

CHAPTER II

GENTLE REVOLUTION

I

THE workers have the instinct for property. And a hundred years of experience with "private enterprise" has led them to believe that under it there is no reasonable chance of property owning for the majority of workers.

They desire a reasonable reward for hard work, initiative, and thrift. And "private enterprise," they are convinced, fails to give that reward to the mass of producers, because it earmarks the reward for the small group of financing and marketing agents, and for absentee capital.[1]

They claim that the man willing to work should be permitted to work. And they know that the organization of industry under "private enterprise" has carried with it a "fringe of unemployment," that from 2 to 10 per cent of willing workers are periodically out of work.

They wish production. And they have often seen "private enterprise" defeat their energy by undercutting in piece rates

[1] Management has been shockingly underpaid in many British industries.

The following figures relate to 57 per cent. of the collieries in the United Kingdom:

Salary, including Bonus and value of House and Coal	Number of Managers 1913	1919
£100 or less	4	2
£101 to £200	134	3
£201 to £300	280	29
£301 to £400	164	251
£401 to £500	81	213
£501 to £600	51	146
£601 to £700	27	75
Over £700	23	77

the increment of productivity which they make. They have seen "private enterprise" restrict output—not according to the need of the consumer, nor according to the laws of production for use, but in relation to the prices of the market—prices based on a system of private profits.

They believe that prosperous (that is, well-paid producers) are the best consumers, and are themselves the best market. They believe that under-consumption is the disease of "private enterprise."

In short, the workers will no longer work for unrestricted "private enterprise," with its profits for a small group, its competing interests (and consequent lack of unified, efficient management), its failure to instal modern machinery and to use scientific research, its underpay, overwork, bad housing, preventable accidents, proletarian disease, and its negation of constitutional government in industry.

As the *Times* says:

> We are, in truth, in the throes of a national crisis not less fateful and in some respects more dangerous than the war from which we have just emerged unscathed as a nation. This crisis has not been created by the war. We were drawing towards it before the war.

And again:

> The truth is that we are passing already through a social revolution. Psychologically, indeed, it has been accomplished, not completely, but sufficiently to warrant the word "revolution." Most people perceive that a social turnover, which has changed the status of classes and their relation, has occurred, but they are puzzled and confused about it. Some regard it as temporary and expect to see it pass; they underrate its significance. Others misread it in another way. They see in it an opportunity for realizing some theoretical form of society which happens to appeal to them. They would narrow it to some particular end of their own. Others, again, are simply bent on getting as much as they can out of it. The labor questions are part of these confused and half-conscious aspirations, which imply a tremendous clash of

interests. The process of settling them means the translation of the revolution already subjectively half accomplished into defined and concrete forms which will possess stability and permanence. It is a gigantic business, needing clear vision and calm thinking, for it is all new.

What is the nature of the revolution?

Mr. James H. Thomas, head of the railwaymen, has answered:

> The demands of the workers can be summarized under four heads—first, shorter hours; second, higher wages; third, share in control; and fourth, the nation to own those things that are essential to the life of the nation, such as transport and mines.

The first two demands are to abolish poverty and its effects. The last two are to establish freedom.

On hours, the sub-committee of the Industrial Conference obtained the unanimous vote of the employers, on a universal forty-eight-hour week. The miners have obtained a seven-hour day (in two years, with certain provisos, a six-hour day). Lord Leverhulme is preaching a six-hour day, and installing it in his plant. A forty-seven-hour week has come into force throughout the engineering and shipbuilding trades. A forty-eight-hour week is not an eight-hour day. An eight-hour day is a forty-four-hour week (Saturday half holiday). This will be the second step of which the Industrial Conference demand is the first. Lord Leverhulme's six-hour day may be the third step in the national program.[1]

On wages, the sub-committee of the Industrial Conference, with a unanimous vote of the employers, has declared for a basic minimum wage. The workers demand that war wages be made permanent.

As regards joint control, the Government is committed to the principle by the Whitley reports. The workers have no desire (after the war experience) for bureaucratic control of

[1] But hours have never been fully studied—the proper day, not for a month or year, but for the working life, and the differential according to occupation.

capitalist enterprise. They wish public ownership, direct administration, local government, and joint control. It is worth while to define exactly what is meant by joint control. Mr. G. D. H. Cole was chosen Secretary of the Trade Union Representatives of the Industrial Conference. In the report which he and Arthur Henderson signed, it is stated that "the Whitley scheme, in so far as it has been adopted, has done little or nothing to satisfy" the demand for "a real share in industrial control."

Elsewhere he has stated:

It is a great mistake to think that the miners or the railwaymen want merely the adoption of the Whitley Report. The railwaymen—including both the National Union of Railwaymen and the Railway Clerks' Association—have rejected the Whitley Report, and the miners have shown not the smallest desire for its adoption in their own case. The sort of control which these bodies have in mind is something different, and something which, to the ordinary business man, will seem far more "revolutionary." For, whereas the Whitley Report merely secures the full recognition of the right of collective bargaining, without in any way changing the status of the parties to the bargain, the miners and the railwaymen are seeking a real share in control.

What, then, do the miners mean exactly by this share in control? They mean at least two things, and to each of these things they attach the greatest possible importance. In the first place, they want equal representation on the national Commission or Committee which exercises central and general control over the mining industry; and, in the second place, they want equal representation upon committees exercising control over particular pits.

It would be wrong to regard these demands merely as the result of "extremist" agitation. Indeed, the "extremists" are seeking not joint control, but complete and exclusive control of the whole mining industry as a part of a general and comprehensive social revolution.

This demand must be sharply distinguished from that of exclusive control by the manual workers: a demand by a small

percentage only of the workers. Mr. Smillie has made this distinction clear. To Mr. Lloyd George, on February 21, 1919, he said:

There is no miner in this Miners' Executive of ours who has any desire to do anything for the purpose of wantonly interfering with the industries of this country. But, although the newspapers pay particular attention to some of us, pointing out that I, for one, am a Syndicalist, who wishes to take the mines over for the miners and work them for the interests of the miners and not of the State, that is absolutely untrue; neither is there any member of the executive committee of this Federation, as far as I know, who has any such idea. Our desire is to have the mines nationalized, taken over and worked in the interests of the State, in order that there may be—and we know there can be—not merely an enormous addition to the output, but a considerable reduction in the cost if the State were working the mines.

Mr. Vernon Hartshorn is miners' agent in South Wales, member of the Executive of the Miners' Federation, and member of Parliament. On this point of nationalization and joint control he said:

At the present time, the miners are in a frame of mind in which they are prepared to treat fairly and recognize all the interests that have grown up in industry. But if these demands are not granted, Syndicalism, or, if you like to call it, Bolshevism, will take the place of the demands the miners are putting forward at the present time.

This demand for joint control must be equally distinguished from that modified control which would begin and end with welfare devices, social outings, and working conditions in the sense of lavatory accommodation. This is the kind of "joint control" which a delegation of American business men thought they found in the North of England.

To the Coal Commission, Emil Davies, general manager of the Banking Corporation, financier, economist, and London County Councilor, testified to the need for joint control as a brake on the revolutionary movement:

I think the psychological effect upon the miner of these big dividends and of these capital bonuses is bad for the nation and bad for the industry. I think it is quite conceivable that the miners or railway workers might ask more than the conditions of the industry justify, but so long as these men see big dividends and, every few years, a lot of bonus shares which makes the dividend look smaller than it really is, and every two or three years they see new shares being offered below the market price, and they find a lot of local people holding a few hundred shares making hundreds of pounds, they think naturally that the industry is making millions. Let these profits be pooled over the whole industry, as they would be if the industry were nationalized, and let the men have their representatives on the Board of Management so that they know there is no hankey-pankey, and it would be possible to show the miners and railway workers that there did come a point when they were asking more than the industry could stand. My point is, and I am thinking of the trade and industry of this country, that so long as the present state of things goes on you will not get the men into what you would call a reasonable frame of mind.

Towards nationalization the first steps have been taken. The competitive private profits system has been three times in the year officially condemned by distinguished captains of industry, appointed by the Government. The Coal Commission's report—as accepted by the Government—was signed by Mr. Justice Sankey, Mr. Arthur Balfour (managing director of steel works at Sheffield, and former Master Cutler), Sir Arthur Duckham (engineer, Director of Aircraft Production, and of the Ministry of Munitions), Sir Thomas Royden (shipowner, railway and bank director).

Their report states:

The present system of ownership and working in the coal industry stands condemned, and some other system must be substituted for it, either nationalization or a method of unification by national purchase and or by joint control.

Sir Richard Redmayne, the Government's principal coal official, states:

That the present system of individual ownership of collieries is extravagant and wasteful, whether viewed from the point of view of the coal mining industry as a whole or from the national point of view, is, I think, generally accepted.

Speaking for the Government on the system of transportation and the supply of power (railways, waterways, canals, roads), Sir Eric Geddes, Minister of Ways and Communications, has stated to the House of Commons:

In the past, private interest made for development, but to-day, I think I may say, it makes for colossal waste.

We must forego the luxuries of competition, we must forego private interest and local interest in the interest of the State.

It would be nothing short of criminal to let the old system of competition between light railways and roads, railways and canals, and between different docks go on. You must make one block of capital do the work now, not two. You cannot afford it.

Of course this will come as a shock to some idealists who believe in individualist effort. We all have our dreams, and many of us have our dream islands which we think of in the morning before we get up. I have no doubt that the dream island of the trader is full of courteous railway canvassers offering cheap fares, light rates, and fast special trains. But when he has had his cold bath in the morning that goes. And this is a cold bath which the country has got to take. The transportation agencies of the country to-day are barren and paralyzed, and we have got to get them right. Therefore I feel sure that if the House decides, the era of competition is gone. It must logically put every means of transportation under the one control and you must not leave out anything, otherwise you will have competition immediately, and you have got to trust somebody or some one to get co-ordination and the fullest possible utilization of everything the country possesses.

The day of private enterprise and private profits in public utilities is ended, because the workers demand a higher motive for production than the creation of wealth for a few. It is misleading to write of Whitley Councils and the Industrial Councils, as if they were love feasts where capitalist

employers and workers have seated themselves in amity, with a common aim and a new spirit.

The new spirit in labor is to abolish poverty and to win freedom. Mr. R. W. Cooper, the coal owner, asked Mr. Straker, of the Miners' Executive, the most searching question since Pilate's. He asked the miner, "What is freedom?"

And Mr. Straker answered:

"So long as men are what they are, they desire to know and understand that which affects their own life so closely.

COOPER: "You will agree that if a man feels he is getting his fair share of the produce of his labour he will be satisfied from the domestic or comfort side of the question."

STRAKER: "I suppose that would satisfy him. If he were getting his fair share he ought not to have any more."

COOPER: "Is there any other aspect of the matter upon which he would desire to be satisfied?"

STRAKER: "The desire that every true man has to be free."

COOPER: "In what sense do the men desire to be more free than now?"

STRAKER: "There is a freedom of the mind, ever seeking to understand. Otherwise a man would be no better than a brute."

COOPER: "There I agree with you that his mind should be free. But in what way do you suggest that a miner's mind is not free?"

STRAKER: "The opportunity for knowledge of the industry they are engaged in."

COOPER: "What knowledge do they desire to have of the industry?"

STRAKER: "The commercial side of it."

COOPER: "I have dealt with that."

STRAKER: "You have only dealt with the cost."

COOPER: "And the profits?"

STRAKER: "How those profits are made."

COOPER: "What else is there?"

STRAKER: "The men object to these profits being collected by any few individuals."

COOPER: "What difference does it make to him whether the

profits are made by the few or the many or the collective body called the State?"

STRAKER: "Because he realizes now that he is a citizen of the State."

COOPER: "Do you really think either you or I feel our citizenship any greater because the Post Office of this country is run by the Government and not by somebody else?"

STRAKER: "Most decidedly."

COOPER: "You surprise me."

CHAPTER III

GENTLE REVOLUTION

II

THAT British instinct for compromise and social change which has often saved the State from disaster is once again at work. Sir Arthur Conan Doyle recently stated:

> Some critic has finely said that if the Day of Judgment were to come, a British non-com. officer would still be found imploring his neighbors not to get the wind up.

Violence, mental excitement, overstatement, the British shrink from. The Latin motto, "Nothing that is violent endures," could well be their motto. They wrangle, and at the eleventh hour compromise. But the compromise will not be made on the basis of the *status quo*.

No paper in England is keener than the *Daily Mail* in scenting where the chase is going. After the Coal Commission it said:

> We do not know how many colliery shareholders would be needed to do the work of a million miners, but we imagine that if they desire to maintain the principle of private ownership in national necessities after this crisis, they will have to get together and dig promptly and vigorously.
>
> National ownership does not necessarily involve Civil Service management. But it does mean the elimination of what the men dislike intensely—namely, working under hard conditions and at the risk of their lives for private profit. As we have often said in these columns, the contrast between the lives of the men who get the coal and the lives of those who get the profits is too great.

Mr. J. R. Clynes writes:

For the temporary purposes of war private interests had to give way. For the permanent purposes of peaceful reconstruction private interests must also give way. It is only upon this basis that real and beneficial changes can be effected. The community must have means to protect itself against personal self-seeking, and if State supervision or co-operative action in transport or other agencies can give us a higher level of efficiency than we now have, many forms of competition must be relegated to the stage of a past age, and must no longer be tolerated upon any ground of the individual profit previously enjoyed.

That excellent organ of the Unionists, the *Observer* (on April 13, 1919), says:

Men like Clynes could have been kept in the Government. Men like Mr. J. H. Thomas or Mr. Henderson could have been brought into it, or brought back to it. How? We pointed out at the beginning of December and before the General Election that the proper thing was to face the inevitable in time. Ministers were bound to consent to the nationalization of transport. They would find themselves compelled to nationalize the electric power to drive the transport. How then could they avoid nationalizing the mines—the fuel which provides the power? These things hung together. They made the great Triad of national reconstruction after war.

Now the Government is doing under pressure what it would not do for political reasons. It has been kicked, pushed, and bundled towards nationalization of the inseparable Triad—transport, driving-power, fuel—without being able now to gain any of the political advantages that timely action would have secured.

And again:

They (the workers) are not to be satisfied even by the largest sort of multifarious program not stamped by any leading idea showing in its greatness some proportion to the upraised and mighty spirit in which this people engaged in Armageddon. They are not too grateful for even the biggest things of a quite inevitable kind.

Housing on a heroic scale, the new organization of public health, the unified handling of national transport, land settlement, land acquisition by the cheapest and most rapid processes which can be devised without treating the land-owning interest more unfairly than any other—all these necessary things, splendid as they are, the country would have expected from any Government whatever. From Mr. Lloyd George the country expected something far more. It wanted a policy not only improving vastly the old order, but laying definitely the foundations of a quite new order.

By this summary of quotations from conservative sources, I am seeking to show that Britain has accepted the "social revolution." The condemnation of private enterprise in public utilities is widespread. The next step is how to take over these vast public services.

The power of setting the pace and the direction of social change has passed out of the hands of the Coalition Government into the hands of such men as Smillie, Hodges, Clynes, and Henderson. Smillie has been the indisputable leader of the industrial movement. He (because of the organized miners) was the driving force which was slowly carrying Britain over from a society of classes into a society based on economic equality. Henderson and Clynes are the politically minded leaders, who will formulate the methods by which that change will be constitutionally made. The men are complementary. Smillie and Hodges will occasionally outrun the general public (though not the rank and file of labor). Henderson and Clynes see how to transmute the mass momentum into legislative proposals which will win public opinion. The loss of any of these men would be serious, because it would tend to throw the now irresistible but wisely moving industrial forces into violence. They are bulwarks of order, and against British order and method and constitutional adaptation the European storm as yet beats in vain.

"Each side cares more for order than for its program," said Mr. Bertrand Russell to me.

After the brilliant pamphlet, *Labor and the New Social*

Order, Americans expected an evangelistic sweep by British workers, like the Victory Loan and prohibition and Billy Sunday. But the British believe that a crusade always means a slump. So they go on permeating the community, steadily gaining, and what they grasp they hold. They are indifferent to loud applause for their spectacular hits and indifferent to impatience with their dour slowness. They have been a hundred years on the present task. They are willing to devote a few more years to the job. They care not at all for comments from the side-lines. They are not running a movie show of social revolution. They are patiently on the way to industrial democracy.

In labor conferences there is a flare of wrath, and then the group is shaking with laughter. All the time, humor plays over the gathering: a sharp wrangle, and then it is emptied of intensity by a jovial thrust. Thus, the delegate from Paddington, suffering from a sense of grievance, had a voice like a siren, and would not be comforted. Another delegate said, "I move that he be absolutely eliminated," and the incident was over.

It is in humor where the English nature comes through to expression. The head of an aircraft factory said recently:

> A smaller explosion than the Russian may occur here, but it will be a humorous one if we have it. It is not fair to give the show away, but the British working man has a very keen sense of humor. He is realizing it is not a difficult matter to get what he wants, and I think he will get it quite readily.

He went on to describe the social change as "the humorous revolution."

British workers are sometimes like small boys who ring the front-door bell and from an area watch the gouty householder come in pajamas and with a candle. And when they find he is trembling with fear and rage, they never let him sleep again.

If some of the governing and employing class were not so deadly earnest about the sacredness of property and their

rights as a master class, there would not be half the fun in shocking them. When the Duke of Northumberland and the *Saturday Review* call Mr. Smillie and Mr. Webb robbers, the joke is so good that labor goes on with it. If the titled witnesses had joined in the laugh on themselves at the Coal Commission, that part of the joke would be shorter lived. But when their organs, the *Morning Post,* the *Outlook,* the *Saturday Review,* and the *Globe* (under its old management), declared that the Earl of Durham, the Marquis of Londonderry, and the Duke of Northumberland had proved themselves wellnigh the equal in wit and dialectics of Mr. Smillie, and that noble blood could produce personalities as resourceful as those from the coal pits of Lanarkshire, there was a Carroll-like quality that called for more heads off. At least a flicker of this humor will be needed to understand the British social revolution.

The Government is learning its lesson from disastrous by-elections and the blows of the Triple Alliance that useful devices for conciliation, slow-moving bits of moderate social reform, and modified conscription, must not be used as substitutes for peace and a new social order. J. L. Garvin, that responsible Conservative friend of Mr. Lloyd George, describes the situation more severely: "He has let his genius get itself up to the armpits in a quagmire of opportunism and contradiction," and speaks of "the Prime Minister's increasing absorption in practical shifts and contrivances to serve the immediate emergency."

The first compromises have been made. Better machinery for negotiation has been set up. Some employers are already enlightened. The trade-union leaders are constitutionalists. Ninety-nine per cent of the workers desire to carry through without bloodshed or anarchy.

1. The immediate crisis has been partially met.
2. The fundamental causes of unrest have not been dealt with.
3. Means have not been devised to deal with these fundamentals.

4. Reasonable time will be required and granted to construct the machinery of transition.
5. The "big battle" will therefore be postponed, while the immediate necessary work of reconstruction is carried on. Peace, food, and work are wanted.

The present extemporized machinery of negotiation is useful for two purposes:

1. It will help to tide Britain over the present crisis of demobilization, unemployment, and maladjustment.
2. It will afford a debating club and a technique of dickering, when (after these months of acute strain) the fundamental questions are being discussed.

What has become ever clearer in war days and the undefined days since, is a nation's need of political capacity as distinct from executive capacity and business capacity. It is not what is the most efficient thing as seen by the military, revolutionary, administrative, business, or scientific mind, working in an ideal world, but what is the possible thing in a society of forty million human beings. Scientific management, high production, industrial conferences, commissions, and Whitley schemes, will not alone solve the tangle. Nationalization of public utilities, joint control, the limitation of private profits, a high standard of living for the producers, production for the use of the consumers, the elimination of unemployment, and democratic finance are the solutions. These fundamental changes are in their nature political. It is not a machinery of conciliation that is chiefly demanded. It is a fundamental economic change to be accomplished by legislation. The day of reckoning up the costs of the War has been postponed. When the cost is faced, and strikes recur, there is only one method that will save England in constitutional government. And that is a Parliament obedient to the will of the people, enacting laws to express that will. It is too late in history to elect Coalition, Tory, Reactionary ministries.

Back of housing, health, and education lies the need for a more widely distributed wealth. It is the poverty of the

workers that is the creator of bad conditions. The remedy is in part fiscal. By taxation, wealth must be more widely distributed. Then a more equal society will demand, create, and receive the conditions of life that include reforms in housing, health, and education. The British will submit to these changes, because they see it is better to work a change constitutionally than to shatter the scheme of things. They recognize that the change must be drastically and swiftly provided for. They are preparing for the economic change in the same spirit in which the Parliament of last century voted a franchise extension which destroyed its own majority. The British are politically minded. They will carry over the bridge that leads from capitalism to an equalitarian society much precious freight. They mean to carry economic stability and prosperity across with them, and achieve a radical social change constitutionally rather than by violence. In the process of this change, taxation will be an instrument of Government.

To the Coal Commission Sidney Webb said:

"My idea of a Socialist State is one where there is a great deal more private property than now. Ten million families would have property, and therefore there would be more accumulated capital."

SECTION FOUR

WHAT THE WORKERS WANT

CHAPTER I

WORKERS' CONTROL

By Frank Hodges, *Secretary of the Miners' Federation of Great Britain*

[Frank Hodges is the most powerful young man in Britain. He is Secretary of the Miners' Federation. He was born at Chepstow in 1888. At fourteen he was at work in a Monmouthshire colliery. At twenty years of age he won a miners' district scholarship for a course at Ruskin College, Oxford. In 1909 he and other young class-conscious students revolted against the teaching, and founded the Central Labor College, where the revolutionary germ could be intensified. Later, he went to France and learned the language, and then he studied the organization of the C. G. T., the Federation of Trade Unions.

He returned to his life as a Welsh miner, and at twenty-five years of age was elected miners' agent—a position of power. From that he became a member of the Executive of the South Wales Miners, and so to his present job, where he and Smillie have ruled the most potent industrial union in the world. He is a convinced believer that the industrial power of trades unionism is so great that the change to the Socialist State, with workers' control, can be made peaceably, in the next "ten, fifteen, twenty years."

Hodges has the culture, the manners, the background, of a university man of the upper class. But he carries a consciousness of the delegated power of a million working men.

His dangers will be those called out by so youthful and as-

tonishing a career: bitterness, conceit, the flattery of the privileged destroying his belief in his mission and leading him into compromise.]

I PROPOSE to establish a case for self-government of the coal mining industry. This question has a very practical import at the present moment. The discussion about the industry has passed beyond the mere academic, and so have the proposals for its reconstruction. In dealing with it one has to remember it is rather a question of immediate politics, and any scheme that one would initiate has to bear relation to practicability. It is no use now to describe broadly the industry under Guild Socialism. That would savor perhaps of an academic smack. What we have to do, is to discuss proposals for the government of the industry now, in the light of our own views, as to how the industry might ultimately be governed. The coal industry is the most important in the country, other than agriculture. I always place agriculture in the premier position because it carried along our social life before coal was discovered, and it will do so after coal has been fully exploited and used up, so that strictly speaking, coal occupies the second place in our national life, because all modern industries now in a state of mechanical development depend upon coal. It is true to say that its existence as an industry of first-class importance is to some extent threatened. Oil is a realized fact, and if there are sufficient quantities of oil in the earth, with the application of scientific minds to the production of oil, it might hasten out the coal era in a shorter period than we are prepared to admit.

It is an industry which I think, on the whole, has been fairly efficiently managed under private ownership. I say that with some qualification, because an industry can never be thoroughly efficiently managed under private ownership, but within its limitations it has been to a large extent a success. For example, on the productive side, it has managed to produce 287 million tons per annum, a remarkable achievement in the British coal-field. It cannot be said that it was a

failure, if production reached such a tremendous figure. Because it is really a difficult occupation. Coal is not easy to exploit, it has to be wrung out of the earth at great cost. We must give credit to private capitalism for having brought the technique of the industry up to a point where it was capable of producing such an amount as 287 millions per annum.

In the year 1913 it apparently ceased to expand, and that is the point I think at which capitalism broke down in the industry. There are many who will say, "Yes, that was due to the War." Well, apparently that is so, because the War has brought into existence rather new factors, or given point to factors already in existence, which have made for this departure from expansion, this contraction in the industry. *In six years we are down in this industry by practically 70 million tons—a great decline.* Many factors have contributed to that decline. There has been a decline in technique, a decline in the physical means for producing, a decline in machinery, in rolling-stock, in the character of the underground workings. There has not been the same maintenance in the underground workings, which has made possible the continuance of output at the pre-war figure, *but what has been the most marked factor since 1914 is the awakening consciousness among the men engaged in the industry.* I must give full weight to all contributory factors, otherwise I should not be a proper person to discuss the matter. But, having given full weight to all factors, physical and technical, there is this remarkable factor, which has been accentuated during this War. *This growing consciousness* that all is not well in the industry: *that the men engaged in the industry now, and their forefathers, have been bereft during the whole of their lives of anything like a voice in the direction of the industry.* That fact has left the workman in a state of antagonism towards the system of control. I would emphasize that as the principal factor which has made for the decline in the industry. (True, there has been a reduction in hours, the output per unit engaged is down; but one could give reasons for that, apart from this growing feeling which is more individual in its character than

anything else.) It is the feeling of lack of position and responsibility in the industry which has left this feeling of antagonism. If you cannot have co-operation in any industry between the technical people and the manual, you cannot expect productivity. That feeling has been expressed very definitely in many ways for some time. I had sent to me a few days ago a copy of a scheme, a very remarkable scheme, propounded by South Wales miners, for the future control of the industry.[1] It was the work of extremely thoughtful men, and one could see in it a feeling of bitterness because of the complete detachment from the control of the industry by the men engaged in it. I studied that scheme, but could not accept it. At the same time, however, we have there an expression in a more or less concrete form of the desires of men who have quite a distinct ambition for effective control in the industry itself. I am going to make a broad generalization. *Until you give expression, or find avenues for this desire, the output will not materially increase.* It will increase, it is true; I think it must, because of the slight improvements that must take place in the technical and physical factors; but the industry will never reach the pre-war position until the avenues are provided for this desire, which is very manifest among men in the industry. I use that South Wales scheme as an illustration of what is going on among the men. But this desire has found expression in broader aspects. It has been officially expressed by the Miners' Federation of Great Britain, which body, naturally, has to try to establish a scheme which, if put into actual operation, would in itself create an avenue or provide means by which their known desires could be attained. As most of you know, that scheme has been embodied in a definite bill[2] for, sooner or later, presentation to the House of Commons. That bill has been given a sort of legal color through the instrumentality of Mr. Slesser, barrister at

[1] "A Plan for the Democratic Control of the Mining Industry." Published by the Industrial Committee of the South Wales Socialist Society.

[2] The Miner's Bill for Nationalization. See Appendix.

law. Such a scheme, sooner or later, must have a legal coloring.

The Miners' Federation has *refused the Government offer of workmen on the board of directors, under the capitalist system.* They will not put workmen on the directorate either of a national council or of a district committee. They do not wish minority control with private ownership.

I think for the first time in the history of the industry we have a scheme which makes provision for complete governance of the industry by the people engaged in it. I do not know of any other industry that has yet evolved as complete a scheme as this. It has not been accepted by the Government, it is true. The scheme, which was agreed to, or suggested, by Mr. Justice Sankey,[1] is by no means as complete as this scheme, but it is a step towards it, and in order to give you an idea as to the character of it, it will be just as well to make a comparison between this and the Sankey scheme.

The scheme for the future governance of the mining industry, as expressed in the Miners' Federation Bill, was a scheme which divided the industry up into parts, intended to remove it entirely from the domain of bureaucratic influence. The industry is national in its character, and therefore the machinery for its governance must be so. It is suggested that the industry shall be, in the first place, a national asset. It shall be owned by the nation. Of course, the Government themselves have decided that minerals shall be owned by the nation, presumably because that did not conflict with the capital interests already in the industry. If it had, I do not think the Government would have been quite so ready to nationalize other people's property as they were. But they have not accepted, in fact they have rejected, the scheme for the national ownership of the industry as an asset on the productive side. That was the basis upon which the whole of our scheme rests—that the mines as well as the industry

[1] The Final Report of Mr. Justice Sankey. See Appendix, Section Four.

must be national property. Unlike the syndicalist scheme, it is not intended that the industry shall be owned by the people engaged in it. That is anti-social in character, and would sooner or later, if effected by force, break up. *For Syndicalism the majority of British workers have no desire.* If the workers used a particular commodity (like coal) for the purpose of holding up the community and smashing the system at one stroke, the result would be that some substitute commodity would be found. The workers prefer a series of steps leading towards the goal, to a holocaust that would cause universal suffering. The social aspect of this scheme is seen in the fact that the industry and the raw material—the coal—must be national assets, but *the production must not be controlled and determined by the Government.* On the contrary, the Government will have by no means a controlling voice in the industry. We suggested that one-half of what we call a National Mining Council should be people directly appointed by the Miners' Federation of Great Britain, the other half to be composed of technical experts, commercial men, and the remaining one or two to be the nominees of Parliament itself, so that there will be a definite link between Parliament and the industry through the Parliamentary nominees and through the Minister of Mines. Now that, of course, presupposes a good deal. The Miners' Federation of Great Britain is not at present sufficiently powerful or comprehensive to have within its ranks the technical workers engaged in the industry. It has only made provision so far in a limited way for a managerial staff. There has been great prejudice against the managerial staff, to some extent warranted, caused by pressure constantly brought to bear upon the managers by interfering boards of directors. I am not quite sure even now whether the Miners' Federation of Great Britain are sufficiently removed from that old influence to permit of the technical staff, the brain-workers, having complete access to the federation and thus to become members of that organization. It is regrettable, but a fact which must be taken into consideration. The technical workers of the Mining Council could

not at present be directly appointed by the Miners' Federation. It is a fact that sooner or later we shall arrive at that stage when technical men, men of great ability due to their natural qualities and to their careful and elaborate education, will be able to come in. When we make provision for them to come in, we shall be jointly in a position to nominate ourselves the personnel of the National Council. Even if our own scheme came into operation, we should have to leave very largely the appointment of the technical staff to the Managers' Unions, as they exist to-day, small and ill-defined in character, or we should have to leave their appointment to the Ministry of Mines. That is the immediate stage—we shall have to go through that. The Miners' Federation Bill made provision for that. It must be agreed that that is a weakness in any such scheme if the technical men have to be appointed by bodies outside the industry.

The Sankey scheme, on the other hand, does not permit of anything like that representation, even of the Miners' Federation, upon the council. It is true, the Sankey scheme makes provision for the National Mining Council. It would remove from the industry the influence of capital, shareholders, etc. It is true, there would be a Minister of Mines under the Sankey scheme, but as the Miners' Federation could not appoint the technical workers, the representation on the National Mining Council would not be as to one-half the representatives of the industry and the other half representatives of the nation; *less than half would be the representatives of the men engaged in the industry,* whilst it would give a preponderance to the Government, the consumers. The Government says, if we appoint people to act on the National Mining Council, they will be there in a representative capacity and will represent the consumers. I am not prepared to make that inference from the appointment of Government nominees. Anyhow, even under *the Sankey scheme, which we think should be adopted,* there is provision for the election of representatives of the workers in the industry, acting on that national body, both on the manual and the technical

side, which if realized must represent the greatest step forward yet attained, because these things only come into existence upon the established fact that the influence of capitalism goes out. It might be argued that the Sankey scheme is more social in its character than even the Miners' Federation scheme, for a preponderance of the consumers or Government's representatives would indicate that the industry itself was controlled by, and subject to, the decisions of the people not engaged in the industry, and, therefore, of a very definitely social character.

Well, the argument I would level against the criticism that the Miners' Federation scheme is anti-social is that as the workers, both technical and manual, get into definite control of a great industry, by having a preponderance of power, they would realize their dependence and interdependence upon other industries, and they would realize that any movement they might initiate which had for its object the raising of the condition of the men engaged in this industry, at the expense of men engaged in other industries, would be fatal. There would be a growing consciousness of that, because of the growing responsibility.

After all, the miners cannot consume the coal they produce. It must be exchanged for the material things that go to make up a miner's life, and I should say that if the miners, because of their preponderance of influence, wanted to take a rise out of the community, the retaliation would be so immediate that they would not proceed. They would realize the interdependence of their industry on other industries in the country. That is a matter of education.

If the National Mining Council represented all the control miners were going to have, one would say it is no different from what they have now. To elect five people out of over 1,100,000 men to represent the rest would not be effective control. You will find that the delegation of their responsibilities by 1,100,000 men to five men would not be to provide anything like a personal interest to the 1,100,000. We will find that in any scheme we may propound, what we are up

against all the time is the apparent willingness to delegate responsibility to others, and it is natural that that should be so; and yet one deplores it. To see the readiness that men have in them to delegate responsibility to other people, and at the same time to criticize those other people for not carrying out the work efficiently, often makes one pessimistic. Happily, that is not all the control contemplated. If that were all I should not be advocating it. There is devolution in the scheme of control for the governance of this industry. Devolution, because only with it can you get individual freedom to the individual man.

Theorists have spoken of various motivations for work—"the motive of public service," the "incentive of citizenship in an industrial democracy." But these excellent ideals will only be realized in many years, through universal education. But the incentive on which we of the Miners' Federation rely is more practical than these. The miner realizes increasingly the need of producing coal, in order to exchange it for other commodities which he wishes for a good life. His interest is not in raising wages with prices going up and outdistancing wages. His interest is in working out a relationship with all other workers, which will bring in to him a flow of goods, in return for his own product. The maximum of production (in relation to short hours and health) is to his interest.

What the miner wishes, if I understand him, is a moral relationship to his fellows. That means security, status, where his work—the product of it—goes to them for their use; and their products come to him, and all for the creation of a good life. For true property—the property which a man's personality inhabits—home and heirlooms—the miners have a strong desire. But they are curiously lacking in any acquisitive instinct, any desire for heaping up possessions.

The second stage in our scheme for the governance of the coal-mining industry is to create district councils. The functions of the National Mining Council would be in the direction of determining how the industry is to be developed, to determine such things as national surveys of the coal-fields,

and, through the medium of their experts, very largely of allotting areas in the country in which new pits had to be sunk. They would be the persons to determine the annual output of coal, to determine the price of the coal, and to determine the various qualities of the coal that had to be consumed in particular ways. They would also deal with the finance of the industry. *It is contemplated that the finances shall be determined by the National Mining Council as distinct from the Exchequer.* It is also suggested that a sinking fund should be founded by the National Mining Council to meet the depreciation of machinery, etc. It would also determine, through representation from authorities beneath, what economies of a national character could be effected in the industry. Also what surplus, after the sinking fund had been established, could go into the National Exchequer to provide social amenities. It would be the connecting link between the industry and the nation.

But in the District Mining Councils, it is contemplated that they should be more or less in keeping with the existing district or geographical areas. For example, there would be a District Council for South Wales, for the Midlands, Staffs, North Wales, Derby, etc. These District Mining Councils under our scheme would be largely composed in the same manner as the National Mining Council, *i.e.,* one-half directly elected in that district by men engaged in the district—and as you will not have immediately an industrial union, the other official unions would expect to have a voice in deciding who should represent them technically. There would also be representatives of the National Mining Council on the District Mining Council. They would function in this way. They would be responsible for carrying out the broad policy laid down for the district by the National Mining Council. It would know the output expected to be produced from its area; it would know the different classes of coal in these areas which were to be directed into the different channels of consumption. There would be no interference by the National Mining Council in the internal administration of

that district. There would be no overbearing interference from the central authority because largely the general terms agreed to by the National Mining Council have been already agreed to by the people in the District Councils. They would be left largely to work out for themselves the efficient production of coal in their particular area. They would be responsible for the mechanical improvements in the mines in their district. They would make suggestions as to the type of machinery that should be used, and would have regard to the adaptability of certain positions of the coal-field to certain types of exploitation and would determine where central pumping stations or central generating stations should be erected. They would not determine wages, but see that the wages in their areas corresponded with the wages in the other areas. In fact, wages would be largely co-ordinated by the Central Mining Council, which would be a very desirable thing.

The same criticism applies to the District Mining Council as to the National Mining Council. In South Wales there are 250,000 men engaged in the mining industry. If a district council was comprised of ten properly elected representatives of the workers, exclusive of the technical representatives, it would not be quite satisfactory, I am sure, if that were to be regarded as the full degree of control that these 250,000 men had in the industry. It is this desire to get away from the notion that other men should govern for the majority that we are constantly insisting upon.

Behind the District Mining Councils, fifteen of which I think would largely cover the industry, we have the pit or colliery committees. Now the colliery committees are the best means, the most democratic means, by which the mass of the workers can express themselves. The miners might express themselves only once in five years or once in three years when they were electing their nominees to sit upon the National Mining Council, and only once a year when they appointed their representatives on the District Council. Under this scheme they can express themselves every day at the colliery. For at the colliery it is contemplated that there should be set

up a *Pit Committee comprised exclusively of the managerial and manual workers—the technical and the manual workers.*

The manager by legislation has been made legally responsible by the Government to the Government for the "governance of the mine." His powers and duties are explicit in the matter of safety. *The manager under workers' control would be responsible to the Pit Committee.* On a disputed matter, he would probably have the right of appeal against the workers to the District Committee. *He would be the elected, the delegated, representative of the workers, in executive control of them. He would have the same sanctions, the same authority which the trade-union official has to-day.* It is the responsibility, the authority, of the delegated person.

Jointly, they would be responsible for the good governance of that mine. They would work to try to get their particular pit to come up to the productiveness under the regulations laid down for it by the District Mining Council. Suppose a district council were to say that Pit A, with its six seams of coal in operation, could produce 1,500 tons of coal a day, and that after due consideration has been given to the geographical position of that mine, the disturbance in the coal seams and strata generally, that particular mine could produce coal at a definite cost. The committee at that particular colliery would have for its object the production of coal up to that amount, and at that cost. There would be no need to increase above that figure, because, if so, that would disturb the general productivity for that particular area, and the result would be that having produced an excess for that area they might find the cost, later on, would have been increased per ton because of the depreciation that sets in as a result of having unnecessary idle days at the colliery. *They would be a joint body responsible not only for production but for their own safety in that mine.* Instead of, as now, the Government having to appoint mine inspectors to see that a mine is being properly conducted in accordance with the Mines Regulation Act, and instead of the managers of collieries having to appoint what are known as deputies or examiners to see that a mine is

working in such a way as to give the maximum security to the men consistent with production at the maximum profit, it would be the business of this committee working with the men to see that every man should be responsible for his own safety, or to appoint safety inspectors responsible to the committee. We would then bring into our circle a larger and larger group of men, as we invest them with that responsibility. They would have to be educated to understand that in an ever-widening circle, they had a particular task to perform, and they would then soon understand the essential purpose of that task. They would see that it was their business to get their fixed quota of coal from that particular colliery, with the maximum security of the men engaged, at the minimum cost of production. It may be urged that this is too much to hope for—that the men are only interested in drawing their wages, that they do not mind what the output is, that they are not concerned as to the general conditions of safety, that they do not mind the cost of production. How can we expect them to change from that mental attitude to the one I have described? To elect their Pit Committees, to put forward ideals, both on the managerial side and on the manual side—how can we expect such a change can take place without considerable chaos? I do not think the jump will be quite so sudden, because of the lack of self-reliance, due to no fault of the miners. As a matter of fact, they are educated to the average point of working-class education if not rather above; but they have not yet been blessed with the opportunities of getting that kind of education which could lift them out of the influence of the wage-system mentality. That will all be a question of time before we can get the most insignificant man at a colliery to take an active part or to assume active responsibility in his work. *That will take time—ten, fifteen, twenty years, but after all, that is not much in the history of the working class,* and certainly it is a short time as compared with the history of the wage system. First of all, there would be a ready willingness to delegate responsibility to their Pit Committee, but as they grew in

experience of the work of their Pit Committees, so would their social outlook grow, and as that grows so will their willingness grow to accept responsibility; so will their interest grow. Sometimes I feel that there is a great mountain of indifference even in the mining movement. I know the reason for that indifference. But it can be reduced to smaller and smaller proportions, even though men act blindly in the initial stages in electing men to control their pit. Out of the most deplorable willingness to delegate responsibility to others will come an increasing reluctance to delegate responsibility to others. You will never have a state in society where you will not find responsibility delegated, but it will grow, in my judgment, smaller and smaller. We must expect the old willingness to delegate, to manifest itself under this scheme, but it will gradually disappear. That may be optimism, but it accounts for all my faith in the labor movement. It will get further away from the slave idea of delegating responsibility, but as long as the working class has that outlook they will be slaves.

Workers' control is a means, and not an end. Work in the modern industrial world is unpleasant for the majority of workers. They will find their expression as human beings outside the working hours—in the use of leisure for family life, education, recreation, a hobby. Control they will use to get efficient management and machinery, with which to shorten hours to the minimum which is consistent with the essential work of high production. Control, they wish, to save them from the waste and insecurity and long hours of the present system, which leaves no secure and creative leisure. A minimum of work consistent with a production which will give sufficient commodities for a good life for all workers: they will use control to obtain that. *But control will never of itself be an answer to the instincts thwarted by standardized machine industry. The answer will be found outside of working hours.*

I am quite sure that in this scheme for control of industry which I have had to sketch in very general terms in order to give, as it were, a general grasp of it, we will see how near that is to a concept of Guild Socialism. It is an attempt to

establish it, but it would certainly not result in Guild Socialism, but in a Guild. We must have all our essential industries as guilds before we can have Guild Socialism. Progress will be accelerated in the other industries in proportion as this scheme is successful. It must inevitably be successful, though we must go through much trouble before we reach our goal. I would have people consider these definitely constructive ideas as applied to coal-mining, because they have for their object the bringing into the industry the active participation of every man engaged in it. These ideas are of a social character, not anti-social in any way, and only along these lines can we have real industrial democracy.

CHAPTER II

THE SHOP STEWARDS AND WORKERS' COMMITTEE MOVEMENT

By J. T. Murphy

[Mr. Murphy is chairman of the Sheffield Workers' Committee and has been one of the dozen leaders of the shop stewards' movement in Great Britain. By general consent of those in the movement he is regarded as the most brilliant "extreme left" interpreter of their aims, methods, and structure. At present, the unofficial shop stewards' movement is at ebb tide, because of the percentage of unemployed in the metal trades. The man at the gate determines the status of the man at the bench. The official shop stewards' movement is in the position of having succeeded: it has won recognition.

So the movement—official and unofficial—is for the moment non-militant. It will resume and heighten its activity through the next five years. The shop stewards' movement is "official," when the trade unions are in executive power over the individual shop stewards and their committees. It is "unofficial" when it is elected regardless of craft, as representative of all grades of workers in an industrial group, when it acts extra-constitutionally of the trade unions, refusing to recognize the authority of the national and district union officials, and when it pursues "larger ends" than matters of welfare, output, and rates agreements—namely, "ever-increasing control of the workshp."]

It is very questionable indeed whether the men who were responsible for the creation of the position of shop steward within the trade unions anticipated the important part the shop stewards were destined to play in the history

of the working-class movement. For years, the shop stewards had been performing quite a subordinate part in their organizations, when suddenly they were swept into the limelight of great events. Statesmen interviewed them, met them in conference, and addressed meetings under their control. The press abused them as agitators and the official trades-union leaders looked upon them with reproach.

These incidents, however, were but the outward signs of the beginning of an epoch in the history of industrial labor organizations. Two important developments followed the outbreak of the War—an industrial revolution[1] on the one hand and legislative enactments which gagged the activities of the trades unions on the other.

The further the industrial revolution proceeded the greater were the demands on the trades unions and the less capable were they of response. Of necessity, the problems were thrust back for solution to the places from which they arose, *viz.*, the workshops, and hence the growth of the shop stewards and workers' committee movement.

The outsider, prone to think in static terms, usually wants to know what kind of "organization" the "Workers' Committee" happens to be, what is its structure, how many contributors there are to its funds, and so on.

The student of labor organizations, however, will be well advised not to attempt to measure the fighting strength or influence of this "movement" (I say movement advisedly) in these terms or he will make great mistakes in his estimates.

There is a definite form of organization advocated and recognized, it is true, but only approximations, more or less remote, in existence. Briefly expounded, the structural aspects of the movement are as follows: The unit of organization is the workshop or industrial group. In each workshop a committee of stewards or delegates is to be elected. These delegates should be elected as workers and not by trade, etc. Each workshop committee should elect a delegate to a

[1] New machinery, the scrapping of old practices and processes, the bringing in of dilutees.

works committee. All the workshop committees in a locality should also have delegates to a local council or workers' committee, which is departmentalized according to industry.

The national structure would be similar to the local workers' committee on a larger scale, thus giving national industry departments with their executive committees within a National Workers' Council or congress.

The immediate significance and power of the committees varies from time to time as different crises arise. But the movement as a whole has greater significance than any of its immediate manifestations may appear to indicate. What that "greater significance" is will be clearer when we have examined its growth and character.

Prior to 1914 there were not many shop stewards, and what there were belonged mainly to the skilled organizations. Their functions consisted largely of examining pence cards of members, safeguarding the "trade" from encroachments by other sections of labor, keeping the shops clear of non-unionists as far as possible, sometimes taking grievances up and interviewing the foreman, or reporting matters to the trade-union branch. It will be clearly recognized, therefore, that to a very large section of trade unionists shop stewards were not unknown persons, although they might not all have troubled to elect them. The stewards also were not organized as such, but were under the jurisdiction of their separate organizations. However, there were the elements in the workshops when the impetus to the industrial developments was given by the urgencies of war.

These developments, it must be observed, were such that there was a general invasion of the trades by all kinds of what had been outside labor. The drastic changes involved were not long in producing trouble, but prior to the disputes on dilution the Clyde engineers were due to receive an advance in wages in January, 1915. They had been bound by a three years' agreement up to this date and had fallen behind other districts. The manœuvering of the employers and the faint-hearted muddling of the officials over months of nego-

tiations resulted in an unofficial strike. The organization thus brought into being became known later as the *Clyde Workers' Committee*. It was composed of stewards elected in the workshops. In its early stages, there were delegates from engineers,[1] boilermakers, blacksmiths, shipwrights, coppersmiths, sheet iron workers, electrical trades, joiners and carpenters, gas and general workers, and coopers. Now it should be observed that these stewards or delegates might be officially or unofficially elected, but all combined together in the Clyde Workers' Committee which functioned unofficially.

This duality has its obvious advantages and disadvantages. There is the possibility of complete unanimity on some particular issue, of official and unofficial committees. There is the possibility, as in the dispute referred to, of complete rank and file opposition to the official body.

Varying degrees of influence come between these two positions, but the point to be observed is that at some moment, according to the nature of the crisis which may arise, *the power of the unofficial committee may be equivalent to the sum-total of the trades-union membership in the locality*. For example, at the time of the 1915 Clyde dispute all the engineering shops of any note were affiliated, representing about 45,000 workers. At a later date, however, when the Clyde Workers' Committee had extended its area of delegation and included delegates from Miners' Reform Committees, cap and hat workers, teachers, railwaymen, building trades, etc., whilst potentially it was much greater, it probably could not count on even 45,000 for immediate support.

Being composed of delegates it reflects the degree and nature of the activity among the rank and file. If the latter are apathetic, the committee is correspondingly weak. If, also, the officials are responsive to the demands of the rank and file, the unofficial committee may be neglected, and the natural tactics adopted are those of combined effort. Individual membership is only retained through the delegates except in small firms where little group organizations exist. To count the

[1] Engineers are machinists.

individual membership at any moment is out of the question and would be worthless for estimating the power of the organization.

There it is, partly official, partly unofficial, taking all labor for its province, as sensitive to the life of the workshops and factories, etc., as any organization can be.

The details of the workshop organization vary, but vary as they may, the workshop is the unit of organization. Radiating from the Clyde, committees of a similar character to the Clyde Workers' Committee have sprung up in Edinburgh, Invergordon, Aberdeen, Dundee, Dunfermline, Rosyth, Leith, Greenock, Kilmarnock, and Dumfries, and all of them send delegates to a Scottish council in Glasgow.

Now it may be asked, what are the functions of these bodies? There are few activities which they do not pursue within the limits of the working-class struggle. They have fought on wages issues, on dilution of labor, on the raising of rents, were partly responsible for the English Rent Act, conducted extensive propaganda, fought on the political issues, and controlled a variety of matters in the workshop. They are loosely formed, potentially great in power, and sensitive to any issue which stirs the workers. Their rules, structure, principles, and objects read as follows:

STRUCTURE

The unit of organization shall be the Workshop Committee, composed of the stewards elected in the various departments.

Stewards shall be elected, irrespective of the particular Trade Union they belong to.

The Plant Committee shall be composed of representatives from the department committees.

The local or district committee shall be composed of representatives from the various Plant Committees.

The National Administrative Council shall be composed of an agreed-upon number of representatives, who shall be elected by ballot of the whole of the affiliated local Committees.

No committee shall have executive power, all questions of policy and action being referred back to the rank and file.

PRINCIPLES

Direct representation from the workshop to Committees.
The vesting of control of policy and action in the rank and file.

OBJECTS

To obtain an ever increasing control of workshop conditions, the regulation of the terms upon which the workers shall be employed, the organization of the workers upon a class basis to prosecute the interests of the working class until the triumph of the workers is assured.

SHOP RULES

The employers shall have no jurisdiction over the election of any shop committee.

The Stewards shall be the recognized medium to conduct any negotiations on workshop grievances.

No individual bargaining shall take place between the workers and representatives of the employers.

Any proposed changes to existing shop practices or conditions in the various departments shall be first notified to the stewards of the departments through the Secretary of the Works Committee.

Stewards and the requisite officers shall be elected for six months, and may be eligible for re-election.

There shall be frequent shop meetings to report progress.

All questions involving dispute shall be referred to the rank and file for mandate.

The effect of this movement on official organizations will be seen when we deal with its growth in other centers. I have shown how the Clyde Workers' Committee arose in a crisis arising out of a wages issue in 1915. The next committee I will use to illustrate the varying character of the movement is the *Sheffield Workers' Committee.*

This did not come into being until early in 1917. In fact, the Clyde Workers' Committee remained isolated for a considerable period, and it was not until the industrial changes and the call for the withdrawal of skilled workers for the

army had aroused the English workers that there was any important development. The birth of the Sheffield Workers' Committee followed a crisis produced by the wrongful withdrawal of an engineer into the army. For some months strenuous efforts had been made to get the skilled engineers to elect stewards. What propaganda did not effect, the crisis accomplished. Within a fortnight the number of shop stewards elected officially rose to about 350. They were all members of the skilled organizations. The officials could not function in the crisis and the stewards formed an unofficial stewards' committee. They struck work, won the issue, and this incident set the movement going in town after town. Immediately after the strike it was decided to invite the unskilled and women workers to organize with them, form workshop committees, and form the Sheffield Workers' Committee. This step was urged to control the dilution of labor, the principal idea being to enforce the payment of the proper rates of wages as the workers were transferred from one kind of labor to another. This committee grew in power, in the engineering industry primarily, until between 20,000 and 30,000 engineering workers were associated with the committee. Again it must be observed that, although associate membership cards were issued, at no time in the history of the committee did more than a few thousand contribute regular subscriptions. This committee extended itself to workers in other industries, such as building workers, tramway workers, and miners.

Two important developments must now be observed. The extension of unofficialism and the reaction on the official organizations. A crisis may unite many organizations. A crisis may also be a disintegrating force. The fight on *military service* united a number of skilled workers. The *dilution* issue brought these into line with semi-skilled laborers and women workers. The *extension of dilution* to other than war work, plus the further call for *skilled workers for military service,* divided them again and revived official activity, especially in the skilled unions.

This happened with the May strike of 1917 on the issues just mentioned. This strike was unofficial, though much of it was conducted by the local official committees acting unconstitutionally. It was a big strike, involving at one time about 200,000 workers. The Scottish workers did not join in, nor did all the English workers at the same time. It started in a few centers: Manchester, Sheffield, Coventry, and then spread to London, Luton, Southampton, Crayford, Bolton, Bradford, Leeds, Liverpool, Barrow.

Afterwards stewards' committees sprang up in all directions. A national conference was called in the Milton Hall, Manchester, in August, 1917, at which delegates attended from the following towns: Manchester, Barrow, Bolton, Bradford, Bristol, Chatham, Coventry, Crayford, Dalmuir, Elswick, Halifax, Invergordon, Leigh (Lancs), Leeds, Liverpool, Newton-le-Willows, Salford, Stockport, Clyde, London, and Sheffield.

A national committee was set up to co-ordinate the activities of the local unofficial committees. Not all of these were workers' committees. They ranged from craft union steward committees to committees, such as the Clyde Workers' Committee already described.

The unconstitutional action of the official committees led to the formation of another national committee of engineering trades unions, and in the various localities attempts were made to combine the stewards and bring them wholly under official jurisdiction. This met with varying degrees of success.

The Clyde Workers' Committee retained its complete independence of official control and stands to-day with much wider scope than ever before. The Sheffield Workers' Committee suffered. Officialism revived and took considerable strength from the Sheffield Workers' Committee, but was and is disorganized in itself. A multitude of unions exist with no connected policy or organization. There may be hundreds of stewards (to obtain exact figures is impossible at present) among the 50,000 engineering workers there, but they are acting separately.

The Sheffield Workers' Committee stands independent at low water mark among the engineering workers, but extending in influence among the miners, tramwaymen, and the like, in and about the locality. So low an ebb did it reach that it had to resolve itself into practically a propagandist body of industrial unionists. Its extension to other industries than engineering is rapidly reviving its delegatory character.

On the other hand, the Coventry workers have been developed on different lines. Coventry is mainly an engineering center and the organization of the workers there was confined to engineering workers. From almost complete unofficialism it has swung in the opposite direction and carried with it a number of the features they were striving to obtain unofficially. First of all, the engineering trade unions in the locality, embracing about 40,000 workers, formed the *Coventry Engineering Joint Committee*. The shop stewards at one time had their committee outside this, whilst still remaining members of the organizations. Now, however, the unofficial committee is confined to a few firms and in the rest, official control is exercised.

SHOP RULES AND INSTRUCTIONS FOR STEWARDS

The shop rules and instructions to stewards by the trade unions are as follows:

1. That the Coventry Engineering Joint Committee shall be the Executive Committee over all Shop Stewards and Works Committees affiliated. Any change of practice in any shop or Works must receive the consent of the Joint Engineering Committee before being accepted by the men concerned.
2. That all nominees for Shop Stewards must be members of Societies affiliated to the C.E.J.C. (Coventry Engineering Joint Committee).
3. Stewards shall be elected by ballot for a term not exceeding six months; all retiring Stewards to be eligible for re-election.
4. Each Section shall be able to elect a Steward, irrespective of Society.

5. The Stewards of each Department shall elect a Chief Steward.
6. The Chief Stewards of Departments shall constitute the Works Committee, who, if exceeding twelve in number, can appoint an Executive Committee of seven, including Chairman and Secretary.
7. All Stewards shall have an official Steward's Card issued by Joint Committee.
8. Each Steward on being elected, and the same endorsed by his Society, the Joint Committee Secretary shall send him an official card.
9. The Steward must examine any man's membership card who starts in the Shop in his Section. He should then advise the man to report to his respective Secretary, and give him any information required on rates and conditions, etc. There shall be a show of cards every month to ascertain if every member is a sound member, and if any member is in arrears eight weeks, he must report to the Chief Steward.
10. If there is any doubt of any man not receiving the district rate of wages, the Steward can demand to examine pay ticket.
11. Any member accepting a price or time basis for a job must hand record of same to his Section Steward, who shall keep a record of times and prices on his Section of any work, and hand the same to Chief Shop Steward.
12. The Chief Steward shall keep a record of all times and prices recorded to him by Sections of his Department. On a Section being not represented, he shall see to the election of Steward for such Section.
13. Any grievance arising on any Section must be reported to Chief Shop Steward, who shall, with Steward on Section and man concerned, interview foreman or manager. Failing redress, the Chief Steward then to report to the Works Committee.
14. The Works Committee shall be empowered to take any case of dispute before the Management, not less than three to act as deputation.
15. On the Works Committee failing to come to any agreement with the Management, they must immediately report to the Engineering Joint Committee, who shall take up the matter with the Firm concerned, a representative of the Works Com-

mittee to be one of the deputation. It is essential, pending negotiations, that no stoppage of work shall take place without the sanction of the Engineering Joint Committee.

16. A full list of all Shop Stewards must be kept by the Joint Committee. Any change of Stewards must be reported to the Joint Committee's Secretary.
17. The Joint Committee shall be empowered to call meetings of Stewards at any Works; also meetings of all Chief Stewards in the district when the Joint Committee so decides, if necessary.
18. If, at any time of dispute, the Engineering Joint Committee decides upon withdrawal of its members from any Firm or Firms, the Stewards shall be issued a special official badge from this Committee with the idea of assisting to keep order, if necessary, in the interests of the members concerned.

It should be noted that there are a few societies unattached to the joint committee, such as the draughtsmen and toolmakers. But these join with them on any important issues.

There are about a dozen large firms in Coventry with works committees and in all about 400 stewards or delegates. At one time, in a crisis, there were 1,000 stewards. The difference between these figures indicates the changes on the "unrest" barometer. A further feature of great importance to every observer of the psychological changes in the working-class outlook and the future character of industrial organization is contained in Rule 4: "Each section shall be able to elect a steward, irrespective of society."

This had been advocated by the unofficial movement for some time, although in its early stages and in the majority of the committees to-day the structure of the shop committees follows that outlined in *The Workers' Committee*.[1] The writer readily agrees that the development is a sound one and experiments in several shops on the Clyde and in other places have justified the efforts in this direction.

Wherever the sectional unions can be eliminated it is all to

[1] Pamphlet by J. T. Murphy.

the good. Every crisis has proved that, wherever they are retained, whether in the workshop or out of it, in joint committee, and the like, they act as disintegrating factors. The experience of the Coventry Engineering Joint Committee provides a classic example in the embargo dispute of 1918. All the societies on the committee were agreed on the issue and yet two of the societies broke away and precipitated a sectional strike.

Two features in the structural objectives are now clearly indicated. First, the all-embracing character of the movement, and second, its elimination of sectional unionism in the workshops.

Turning our attention to the activities within the shops, as distinct from the harnessing of particular agitations, we have to observe the variations according to the degree of internal development of the workshop organization.

It will be well to compare, therefore, the Coventry instructions with the agreement arrived at between the trades unions and the Employers' Association:

Copy of

MEMORANDUM OF AGREEMENT

between

ENGINEERING EMPLOYERS' FEDERATION

and

Steam Engine Makers' Society.

United Machine Workers' Association.

Society of Amalgamated Toolmakers, Engineers, and Machinists.

United Kingdom Society of Amalgamated Smiths and Strikers.

Electrical Trades Union.

National Society Amalgamated Brassworkers and Metal Mechanics.

United Journeymen Brassfounders, Fitters, Turners, Finishers, and Coppersmiths' Association of Great Britain and Ireland.

Amalgamated Society of Coremakers of Great Britain and Ireland.

Workers' Union.

National Union of General Workers.
National Amalgamated Union of Labor.
National Amalgamated Union of Enginemen, Firemen, Mechanics, and Electrical Workers.
Blacksmiths and Ironworkers' Society.

REGULATIONS REGARDING THE APPOINTMENT AND FUNCTIONS OF SHOP STEWARDS

London, December 20, 1917.

IT IS MUTUALLY AGREED AS FOLLOWS:

With a view to amplifying the provisions for avoidance of disputes, it is agreed:

1. The workmen who are members of the above named Trade Unions employed in a Federated establishment may appoint representatives from their own number to act on their behalf in accordance with the terms of the Agreement.
2. The representatives shall be known as Shop Stewards.
3. The method of election of Shop Stewards shall be determined by the Trade Unions concerned. Each Trade Union parties to this Agreement may appoint Shop Stewards.
4. The names of the Shop Steward and the shop, or portion of shop, in which they are employed, and the Trade Union to which they belong, shall be intimated officially by the Trade Union concerned to the management on election.
5. Shop Stewards shall be subject to the control of the Trade Union and shall act in accordance with the Rules and Regulations of the Trades Union and Agreements with employers, so far as these affect the relations between employers and workpeople.
6. In connection with this Agreement, Shop Stewards shall be afforded facilities to deal with questions raised in the shop, or portion of the shop, in which they are employed. In the course of dealing with these questions, they may, with the previous consent of the management (such consent not to be unreasonably withheld), visit any other shop, or portion of a shop, in the establishment. In all other respects they shall conform to the same working conditions as their fellow-workmen.
7. Employers and Shop Stewards shall not be entitled to enter

into any agreement inconsistent with agreements between the Engineering Employers' Federation or Local Associations and Trades Unions.

8. The functions of Shop Stewards, so far as they are concerned with the avoidance of disputes, shall be exercised in accordance with the following procedure:
   (a) A workman or workmen desiring to raise any question in which he or they are directly concerned, shall in the first instance discuss the same with his or their foreman.
   (b) Failing settlement, the question shall, if desired, be taken up with the management by the appropriate Shop Steward and one of the workmen directly concerned.
   (c) If no settlement is arrived at, the question may, at the request of either party, be further considered at a meeting to be arranged between the management and the appropriate Shop Steward, together with a deputation of the workmen directly concerned.

   At this meeting the Organizing District Delegate may be present, in which event a representative of the Employers' Association shall also be present.
   (d) The question may thereafter be referred for further consideration in terms of the provisions for avoidance of disputes.
   (e) No stoppage of work shall take place until the question has been fully dealt with, in accordance with this Agreement and with the "Provisions for avoiding disputes."
9. In the event of a question arising which affects more than one branch of trade, or more than one department of the works, the negotiations thereon shall be conducted by the management with the Shop Stewards concerned. Should the number of Shop Stewards concerned exceed seven, a deputation shall be appointed by them, not exceeding seven, for the purpose of the particular negotiation.
10. Negotiations under this Agreement may be instituted either by the management or the workmen concerned.
11. The recognition of Shop Stewards is accorded in order that a further safeguard may be provided against disputes arising between the employers and their workpeople.

12. Any question that may arise out of the operation of this Agreement shall be brought before the Executive of the Trade Unions concerned, or the Federation, as the case may be.

The agreement retained the recognition of the individual societies inside the workshops as well as out.

The Coventry Engineering Joint Committee has gone further and eliminated the division in the shop, and a number of firms have their works committee elected irrespective of society, whilst all their activities come under the control of the Engineering Joint Committee. The activities go a little further than those described in the agreement quoted and *they come very close to the Whitley proposals.* They meet the employers once a month and discuss anything for the comfort and welfare of the workpeople and ways and means for facilitating output.

The *unofficial committees* take the trade-union rates agreements, etc., as something to be *enforced as a minimum,* using them simply as a means to larger ends. *These larger ends,* however, *are what distinguish them from all the other committees.*

They work for "an ever-increasing control of the workshop" until all the functions of management pass into the hands of the working class as a means to the complete expropriation of the employing class as such. These committees on their own cannot go further than the rest of the committees, but through their membership within the official committees and out of them, they perform several functions. They reach out to all sections of labor; they are continually experimenting with details of organizations such as the elimination of sectional unionism in the shops, and they stand at the center of all movements in the localities where they have become thoroughly established, *capable of harnessing crises which may lead to revolutionary developments.*

In these features we recognize their relationship to industrial unionism of the various schools from the Chicago Con-

vention of 1905 until now. The value of counting heads I have already commented on. Whilst there are National Committees co-ordinating some twenty committees in England and some twelve committees in Scotland, this by no means represents the growth of the movement. Among the miners are scores of reform committees. Among the railwaymen are also many reform committees. These are not linked up with the rest whilst they are akin.

As a movement it is therefore incapable of measurement with a yardstick. Its outward manifestations vary. A period of unemployment dissipates the strength of the unofficial committees and consequently sends energy back again into official channels. A crisis may sweep official (particularly the local officials) and unofficial elements along together. *In such a crisis the personnel of the unofficial committees may become, in the crisis, the personnel of the movement as a whole.* For example, the writer was at one and the same time a member of a trade-union district committee, convener of stewards for the same trade union, and Secretary of the Workers' Committee in the district. A crisis came. The official trade-union committee suspended themselves, and the stewards worked through the Workers' Committee.

To sum up the position: the Workers' Committee movement is extending through the British labor movement and manifesting itself in a variety of forms and directions. It is associated with definite revolutionary ideas, and is intent on abolishing capitalism.

It is the result of the application of industrial unionist ideas to historically produced situations without a complete breakaway from the organized trade unions. Whether the complete merging of the trade unions and the complete adaptation to the demands of the epoch we have now entered can be accomplished rapidly enough is doubtful. Event follows event so rapidly and old organizations are so slow to change that time may cast them on the scrap heap.

Whichever may be the case, the ideas associated with the Workers' Committee have come to stay. If the official move-

ment can adapt itself, then the nature of its adaptation will be on the lines indicated by the Workers' Committee. If it cannot, then the latter will win through unofficially. At least, the times appear to indicate such conclusions to the writer.

CHAPTER III

THEIR IDEAS

By J. T. Murphy

[This chapter is on the ideas, the men, the instinctive mass movement, and the economic conditions, which have helped to create and shape the small revolutionary wing of British labor. An American will note that the impulse has received a little of its earlier shaping from an American movement. This is natural, because a partially suppressed labor movement, such as that of unskilled labor in the United States, swings to the left. This chapter makes clear the philosophy that lies hidden in some of the shop stewards' movement. Mr. Murphy sets out the effect of political parties, educational classes, the propaganda of industrial unionism, and the syndicalists, on the growth of the unofficial industrial movement of Great Britain, including the shop stewards' movement. The shop stewards created during the War many of the workers' committees to which Mr. Murphy refers.]

The long, steady growth of the trade-union movement in Great Britain has presented us with phenomena of such a character that the industrial unionists, who set out to build new industrial unions to compete with and ultimately wipe out the trade unions, stood little chance of success. Every attempt to establish the I.W.W. on a large scale has failed. The organization known as the Industrial Workers of Great Britain, which later changed its name to the Workers' International Industrial Union [Workers' Union], and stood for practically the same organization as the I.W.W., reached a member-

ship of about 4,000 at best. The Building Workers' Industrial Union has been subject to a similar fate, and for exactly the same reasons which determined the form and character of the Workers' Union. The pioneers of the Workers' Union—Tom Mann and Charles Duncan—looked to this union as an all-embracing union of the working class.

But because there existed prior to its formation, large, stable organizations of skilled workers, whose vested interests and traditions had not yet been thoroughly disturbed, they could only absorb or enroll those workers who were outside these unions. Hence the Workers' Union became largely a union of general labor, unskilled and semi-skilled. That it enrolled numbers of skilled men is true, but ere long they were arranging agreements with skilled unions with regard to what is called poaching of members. The vested interests of the unions, such as out-of-work pay, superannuation, sick benefit, and so on, produced a conservatism which has been a considerable bulwark against the onslaughts of the I.W.W., the Industrial Workers of Great Britain, and such-like organizations. It must not be thought, however, that because these organizations are small that the propaganda of industrial unionism has had no effect.

Since 1903, when the Social Democratic Federation split on the issue of industrial unionism, the small but vigorous body known as the Socialist Labor Party has carried on a persistent propaganda. Its principal center was Glasgow, and in this city the Industrial Workers of Great Britain thrived best, and here also probably more experiments have been tried in the application of the industrial unionist principles than in any other town in Britain.

James Connolly, the Irish labor leader, who perished in the Easter rising, was one of the pioneers of industrial unionism in Glasgow, and his pamphlet, *Socialism Made Easy,* is still widely sold. The Socialist Labor Party remained small in membership for a long time, but the small group of men who

were trained in their classes [1] have since played a prominent part in the struggles toward industrial unionism through the many industrial fights in Glasgow and elsewhere.

The Socialist Labor Party started its own press, and from here have come incessantly for years thousands of Daniel De Leon's [2] pamphlets, and Kerr's social science and sociological publications. However insignificant the party membership may have been, the effect of the work of the press has been influential in the fermentation of ideas on industrial unionism.

The Independent Labor Party has never stood for industrial unionism. The British Socialist Party did not, until a year ago it half-heartedly supported it. The tendency of these two political parties is to support trades unionism, and stress the conquest of Parliament. But through numbers of their branches the publications have circulated and a goodly number of the members of each party now propagate the Socialist Labor Party slogan.

The Socialist Labor Party, from its inception, was so severe in its restrictions on the liberty of its members so far as theory and practice were concerned, that its development was retarded. Since the Russian Revolution and the many experiences of its members in the industrial conflicts of the last

[1] Under the tuition of T. Bell, editor of the *Socialist,* and ex-president of the Scottish Ironmolders, and T. Clarke of the Engineers, the classes have since played a prominent part in the struggle. In the classes, the works of Marx, Engels, Morgan, De Leon, were thoroughly studied. Hence we find the materialist conception of history stressed as a means to understand social movements, and industrial unionism offered as the solution to society's problems. From the classes came A. MacManus, chairman of the Shop Steward Workers' Committee, J. W. Muir, of the Clyde Workers' Committee, and W. Paul. The latter is not connected with the industrial movement. He is, however, a speaker of considerable ability, and has done much to spread the class movement in the Midlands. For a considerable period some of the speakers simply reflected De Leon, and it was not until they had passed through many experiences that we can see an independent direction given to the impulse towards industrial unionism, coincident with the peculiarities of British Labor History.

[2] See Appendix, Section 5, Chapter 2.

four years, there has been a recasting of the constitution, which now recommends the same kind of industrial organization as the Workers' Committees. Their preamble reads, after making the same declaration with regard to the class struggle as that of the I.W.W., drawn up at the 1905 Chicago Convention, "The unit of organization industrially is the workshop or yard committee, wherein the workers are organized as workers, irrespective of craft, grade, or sex. These committees are co-ordinated by the formation of Works or Plant Committees, composed of delegates from each workshop or yard committee. The Plant or Works Committees are co-ordinated by delegates from each of these committees, in a village, town, city, or district, forming a Workers' Council, in which there are also delegates from the residential committees, these latter being the units of the social aspects of the organization." [1]

In addition to the Socialist Labor Party, there are the Workers' Socialist Federation, the British Socialist Party, and the Communist League, advocating practically the same structure. Certain tactical differences exist between these organizations which are delaying the fusion of these bodies into a single Communist Party. When it is considered, too, that a section of the Independent Labor Party is working in accord with those mentioned, the amount of political propaganda, assisting the spread of the Workers' Committee ideas, will be recognized. However insignificant the outward structural appearances may be, the latent ideas among the organized workers are of no small volume. The outstanding figures of the British Socialist Party, so far as this workshop movement is concerned, are W. Gallacher and George Peet. They are known more by their activities in this movement than by their membership of a political party. Gallacher is the chairman of the Clyde Workers' Committee. Peet is the national Secretary of the Workers' Committees. The activities of the political bodies, apart from the Socialist Labor Party, until

[1] For this development, no doubt A. MacManus, T. Bell, and J. T. Murphy are mainly responsible.

recently have been rather meager so far as industrial unionism is concerned. The Socialist Labor Party was largely centered in Scotland, but nevertheless had an extensive influence.

England has been subject to propaganda influences from two other directions, *viz.*, the Central Labor College,[1] and syndicalist propagandists, such as Tom Mann. With regard to the Labor College, which is now the possession of the National Union of Railwaymen and the South Wales Miners' Federation, the clear-cut Marxian teaching conducted there has resulted in the production of a number of active industrial unionists, who have gone back particularly to the Welsh coalfields and exercised great influence. The students produce a magazine of their own called the *Plebs Magazine,* and by forming classes in many towns and districts, they give an impetus to working-class education. Every week hundreds of classes under the auspices either of the Labor College or the Socialist Labor Party, or some local Labor College group, now affiliated to the Labor College, are grappling with economics, industrial history, and like subjects. The effect was commented upon by the Government Commissioners of Industrial Unrest in 1917, particularly in South Wales. In nearly every large town classes, varying from thirty to eighty members, are attending several nights per week during the winter months. The writer, during the whole of last winter, for example, had two classes per week, with an average attendance of forty students. Other teachers were doing likewise. Now, when it is remembered that these classes to which I refer are producing industrial unionist students capable of expressing themselves, it will be realized that weighty forces are persistently at work throughout the whole of the trade-union organizations, suggesting and applying the principles for which they stand. In South Wales in particular, men such as Noah Ablett, Reynolds, and Mainwaring, with many others, have succeeded in making marked advances in the

[1] Now, the Labor College. It has 27 students in residence, but through correspondence and tutorial classes, it reaches 6,000 students a year.

direction of industrial unionism, not by creating a fresh organization, but by modifying the existing organizations and bringing the South Wales Miners' Federation in part under their control.

With regard to the syndicalists, Tom Mann [1] has been un-

[1] Tom Mann, regarded by many as the "Stormy Petrel" of the British Labor movement, has had a remarkable influence in several important directions. His efforts to organize the unskilled workers are well known. So also the part he played in the Dockers' strike of 1889, and the transport strike of 1911. His positive contributions lie in those directions, along with his amalgamation propaganda as exemplified in his campaign for syndicalism. His anti-parliamentarism created a prejudice against him for a long time, which now becomes an asset, as the feeling against parliamentarism becomes more general. But for some reason he has not yet given, he entered and topped the poll in the Amalgamated Society of Engineers Parliamentary candidate election. It is this apparent vacillation in tactics and his repeated appearance in unexpected quarters that have created a certain amount of distrust as to his capacity to hold the leading-strings of an organization such as the A.S.E. He has tried to become General Secretary of this Society several times and failed, but he succeeded in getting this position in 1919. He likes the freedom of the "free-lance," to be a working-class gladiator in any part of the arena where the fight is raging, and whilst preaching organization chafes at the restraint which organization imposes. He has had a dramatic career, a wide experience, and is, besides being an agitator, capable of leadership. But any office will sit lightly upon him for the temperamental reasons I have indicated. At sixty-four he is full of vitality, and the glamor of the fight is upon him. He may head a revolutionary movement, he may finish his career as an agitator, but for him to settle down as a mundane official seems to those who know him as likely an event as to see him settle down as a poultry keeper. In any case he has rendered good service to the industrial unionist movement by his amalgamation propaganda and his support of the Workers' Committees.

Mann picked up American industrial ideas in Australia, and further studied syndicalism in France. On his return to England, he launched a powerful propaganda upon the public platform and through pamphlets and the press. He did much to popularize the idea of the shorter working day.

He received an ovation at the Trades Union Congress of December, 1919. As Secretary of the A.S.E., the king craft union, he is now inside the citadel, and his influence upon the machinists will be powerful in these critical years.

doubtedly the outstanding figure. But again the movement takes the form of propaganda for amalgamation of existing organizations. It is in the direction of amalgamation that industrial unionism has found expression in this country until the rise of the unofficial fighting workers' committees. There has been an amalgamation movement in the engineering industry. The rise of the unofficial shop stewards' movement, however, meant the suppression of the amalgamation committees.

Such have been the main elements giving direction to the tendencies towards the modification of the industrial organization of the working class. They have now undergone a marked change, and because they represent the advanced guard of the movement, with consciously formulated ideas, it is well that we should observe the character of the change.

The 1905 I.W.W. Convention in America formulated a scheme of organization by industry. Each industry was to have its own particular union and these unions to be federated into one big organization. The National Guildsmen of this country, as well as the old industrial unionists, still stand for this form of organization. It should be mentioned in passing that Cole and Mellor of the National Guilds League have helped considerably in the way of spreading these ideas among trade unionists. The change from this position since the Russian Revolution has been marked, and the left wing of the Socialist movement now express themselves more in terms of Communism. The quotation from the platform of the Socialist Labor Party indicates the difference. The Communists recognize the need of departmentalization according to industry, but insist on the industry being subordinate to the class character of organization. They therefore propagate a class organization with departments within it corresponding to industry. The difference may not appear to be much, but on close examination it is a matter deserving careful consideration.

Organization by industry involves the recognition of each industry and each industry-union as a separate entity, and

the executives thereof would be responsible to each industry's workers alone. It would tend to produce a psychology of a sectional character, too, in that the primary thought would be to defend one industry's workers against the others.

On the other hand, the Communists urge that the class principle should be applied throughout, and just as all the workshop committees of any plant, whether composed of building workers, transport workers, or engineers, are united in the Works Committee, so also *the works of a locality* should be united in the Workers' Committee or Council.[1] Then any departmental committee set up would be responsible, not simply to a department, but to the whole council.

The rival scheme of organization in relation to the existing trade unions should be noted too. Organization by industry has its problems, there is no doubt. The National Union of Railwaymen approximates to an industry union; the miners are approximating it; the engineering workers, particularly the skilled workers, are trying to shape themselves in the same direction. Now there exists, at the same time, the General Workers' Union, the Workers' Union, the National Amalgamated Union of Labor, which are about to be fused. All these have workers spread over quite a number of industries. If, therefore, organization by industry has to be established, this huge body of about a million workers will have to be divided up among those unions which approximate to the industry unions.

The Communists, on the other hand, say Amalgamate them all into one big union, and make internal departments to meet any peculiar demands of industry.

If it be asked how all these bodies, political, educational,

[1] The term "workers' committee" is applied when the strike committee takes on a class character. Most of the committees come into being, either directly or indirectly, from strikes. The word "committee" was used to distinguish it from the Trades Council. Perhaps "workers' council" will supersede "workers' committee." The British "workers' committee" is akin to the "workers' council" on the continent, which is in part a standardization of the old extemporized strike committee.

propagandist, are related to the Workers' Committee movement, I have to answer that their literature is distributed in the workshops and trade-union branches; their propagandists address workshop meetings; their classes are open to all workers, for the members of all these bodies are personally part of the industrial movement too. And it must not be forgotten that wherever the workers extend their organizations in the factories, wherever they assume responsibility, such activities stimulate the demand for classes, for literature, and the like.

Whilst the political parties, the educational bodies, the propagandists, are directly contributing to the most revolutionary aspects of the working-class movement in every respect, there are other bodies more moderate in political outlook, who are nevertheless contributing to the structural developments. Ruskin College, the Independent Labor Party, the Workers' Educational Association, while not revolutionary bodies, direct considerable attention to the established structure of the trade-union movement and its developments. The Whitley report proposals and all schemes immediately adaptable to the existing order, appeal to these members of the working-class movement. Their attempts to apply them bring them up against the structural problems of trade unionism, and thus their practical experience compels them to contribute to the solution of the workers' difficulties on the very same lines as the extremists.

A simple illustration will make this clear. They wish the workers to share in control of their conditions in workshop and factory. To effect that, they must shift their ground from the trade-union branch to the workshop. There, to have any organization at all, they must get the workers sufficiently interested to elect a shop committee. Immediately the problem of sectionalism is upon them. Experiment follows experiment to overcome the difficulties involved until it is eliminated. Thus are they doing the same thing as the extremists, *viz.*, organizing the workshops and factories. The pressure of economic circumstances does the rest.

For it must be clearly understood that, while all the efforts

I have enumerated are going on, the workers as a whole have no conscious purpose. They do not visualize a new society and consciously march forward towards it. An ever-increasing minority do that as the economic struggle proceeds, but the mass moves intuitively, consequent on the pressure of circumstances.

"If I am asked, "What England do the workers want? When? How?" I have to reply that very few indeed can do more than state general abstractions in answer to these questions.

The minorities of a people fight out consciously the different general concepts and methods. Meanwhile the social forces move, rise in their power, and the minority, conscious of the mightiest of these, anticipates it, interprets it, harnesses it, marches on to victory. Through long periods there appears to be an equilibrium of forces and society appears static. But it is never so. The elements within it are ever moving and the periods of great change inevitably come again, not because of the wonderful ability of some particular person, or the conscious purpose of a people. They are moved by the simple concrete experiences of every day, and the interaction of these experiences produces mass movements which launch them all into mightier issues than they dreamed. Call them herd movements, if you will. Until humanity has evolved an organization of society which will uniformly express and satisfy the needs of humanity, and by its natural activity thrust responsibility in uniform fashion upon all its constituent parts, so that a real social consciousness is developed, we shall witness these movements. They will be harnessed by minorities, express themselves through existing machinery as far as possible, but will not hesitate to create new machinery as circumstances press upon them and the old fails to respond.

The political parties, the educational bodies, the propagandists, and their relationship to the elements of change within the industrial working-class movement, I have attempted to describe. The result is that we can see a structure developing and certain leading ideas coming to be focused. How these

ideas are going to be translated in actual programs has not yet been clearly defined by any one. What we do see at present, is a multitude of demands in terms of wages, and reduced hours of labor, and, coming more and more to the front, the two big issues of nationalization and control of industry (or, rather, part control). These two latter indicate the tendency to converge upon big things. Whatever ideas we may have on these, whether they be regarded as reformist or otherwise, the salient features of them are revolutionary in character, indicating the nearness of vast changes in social relationships. At the same time structural modifications are proceeding and every dispute produces elements which are contributory to the Workers' Committee organizations. These demand more detailed attention. But sufficient for the moment to have indicated the political, educational propagandist contributions to the new movement, and at the same time to have recognized the limitations of the visions of the people and the responsibilities upon the minorities.

CHAPTER IV

SELF-GOVERNMENT BY RAILWAYMEN

By C. T. Cramp, *President of the National Union of Railwaymen*

Mr. C. T. Cramp is President of the National Union of Railwaymen, with 450,000 members. He and Mr. Thomas have just passed through successfully the railway strike in which the Government attempted to reduce wages from the war levels and failed. Mr. Cramp was educated at the Labor College, where economics are taught on a Marxian basis. Frank Hodges, Secretary of the Miners, is a graduate of the same college. Both men are Socialists with a fundamental belief in industrial unionism, which they are helping to carry out in their unions. The miners and the railwaymen are two of the most "radical" organizations in Great Britain. Mr. Cramp is very exactly a representative of his rank and file.

In a recent talk, Mr. Cramp said to me:

We have obtained a Ministry of Transport. That is perhaps in part the results of our demands for full workers' control. Having our Ministry of Transport, we have now presented our demands for control. We are urging a joint board which shall control all railways. One-half of the representatives will be appointed by the unions, and one-half by the House of Commons. Their function will be not only the administration of conditions but the running of the whole concern. That means the administration of the detail of traffic and also the administration of the commercial side. The unions will elect representatives to this Board of Control. But the election will not result in making these men permanent officials out of touch with their rank and file. They will be re-elected every three years. Under the Joint Board we shall have Area or District Boards. These Boards will deal with the administration of the principles laid down by the Central

Joint Board. The Area Boards will in the same way contain representatives of the Government and of the men, half and half. For the Railway shops we shall have Shop Committees elected from the various grades.

So the total organization will be a Central Board, District Boards, and Shop Committees, with the workers making up half the membership and the community represented by the other half.

Up to the present time we have not negotiated anything tangible with the Government. Almost as soon as the Ministry of Transport took office we entered into conflict with them. We are hopeful that within a few months we shall have succeeded in establishing joint control by the workers.

I have been interested in the Plumb Plan and I recognize the suggestiveness in giving separate representation to the management. But we feel that it is best first to get the principle of workers' control accepted, and second to get the central idea embodied in the new form of administration, and then later to go into details of arrangement if necessary. Until recently managerial directors were perhaps as a class hostile to the idea of joining with the workers in control. But the experience of the last year has convinced them that they too had something to gain by coming in with the manual worker.

In any case, the recent strike struggle will have made it easier to get the principle of joint control accepted. Under State ownership and under joint control, we shall retain the right to strike, and we claim it as a full right. There will be no yielding on that point. For the settlement of disputes, we shall trust to the good sense of the management and the men.

What we are building up is a new functional idea of the State. Geographical representation did not meet the full need. My personal opinion is that certain representatives in Parliament must be provided from the industries as industries, so that we shall have industrial representation. In that way we should have a body competent to decide on great industrial questions.

In propagating the idea of workers' control, we have published articles in trade journals, made large numbers of platform speeches and appeared before Labor Congresses. We have not drawn up our demands in any sense of adjusting them to the ideology of capitalism. We ultimately want to destroy capitalism altogether. The influences that have strengthened the idea of

workers' control were the revolt of a few years ago against excessive bureaucracy and State socialism. The propaganda of French syndicalism has something to do with the spread of the idea, and then such writing as appeared in the *New Age*[1] helped. The workers desired to devise a system of social control that would master slavery in the new form in which it was appearing, namely that of bureaucracy. So altogether there came the gathering of these new ideas and the shaping of them into our present demand for workers' control laid before the Premier.

[1] An organ of Guild Socialism. Compare these demands with the Government offer of 25% of advisory control. See Appendix, Section 4, Chapter 2.

CHAPTER V

THE ENGLAND THE WORKERS WANT—WHEN—HOW

By Robert Smillie, *of the Miners' Federation of Great Britain*

[This chapter is a digest of Mr. Smillie's conversations with the writer, letters to him, and public talks, corrected by him for use here. He answers the questions which many have been putting. What kind of society is it which the workers want? When do they expect to begin to get it? How are they going about it?

Mr. Smillie answers that they wish a Socialist society, which will not be bureaucratic, nor State socialistic. So, with every demand for nationalization, they include a demand for workers' control, which means decentralization of power. They expect to effect this change in society (of public ownership of the key industries and of land, with management by the workers) by a series of gains in Parliament, till finally they have a majority of seats, which will give them a labor Government. Then legislation will be passed which will establish the Socialist society. The method of this change is not by bloody revolution, but by education and propaganda and votes. The philosophical statement of the goal is neither State Socialism nor Syndicalism, but Guild Socialism. Details of change have already been made, and will continue to be made each month. But to bring to pass the real transfer of economic power to the workers will require "five, ten, fifteen years."[1]

Such are in summary the views of the greatest labor leader of this generation.]

[1] This summary, also, has Mr. Smillie's approval as a statement of his position.

I DISCUSSED with a wealthy and Christian coal owner the other day the question of Socialism, and I told him it was absolutely impossible to square the Sermon on the Mount with present-day commercial conditions. My friend admitted that, but said, "Well, but we are in it and what are we to do?" When I examined witnesses at the Coal Commission I had before me not only my little village in Lanarkshire, and the poverty and the miserable homes there, but the slums of the great cities and the palaces and the mansions of the idle class. Any one knowing the poverty of the people and the terrible conditions existing in the mining community for so many years and realizing that the robbing classes, "who toiled not, neither did they spin," had been living on the money that should have gone to feed, clothe, house, and educate his class, would be a knave and a traitor to his people if he did not keep it in mind, and let the other class know that he had not forgotten it.

One who truly represents the workers has always before his eyes the misery, the infant mortality, the death rate, of his class, and the position of the upper class. Always he has in his vision this contrast.

The Coal Commission gave me the opportunity of getting into respectable company. I had the opportunity of speaking with dukes. We were not introduced. Some of them in the witness-chair were not sure of their minimum living wage within a few thousands. But they were very nice.

It has been alleged in certain quarters that I desired to score against those dukes. I had no such desire; but with my colleagues I wished simply to arrive at the truth. We do not blame them as individuals at all, but the system of which they are a part is wrong, and we wanted them to come to give us the information desired, with a view to helping us to put it right.

Dukes, earls, and marquises, as well as capitalists, are entitled to be content, but the working people, landless and dispossessed, and living in the slums, God never expected them to be content with these conditions.

I am out to rouse the people to the dignity of man. It

is not true to say that I am out to breed rebellion or bloody revolution if that can be avoided. Rather I wish to convince the people that it is their business to unite, by constitutional means if possible, to overturn the present system and enable the people to live happier lives.

We are not going to sit down content with the present state of affairs. No man has the right to call himself a man who sits down contented with matters as they are. The vast majority of men and women and children are the exploited class who have never more than a fortnight or three weeks' savings to keep them going until another pay-time comes round. I have not been able to convince myself that one party should live on the best things which are produced, and the other party, the producers, continually be kept on the verge of starvation. As a child I was taught that it was God's doing. It is not God's doings, but man's doings. It is no use being discontented unless one spreads the discontent as far as one can. Five hundred peers own a third of this country, four thousand landlords own half, and the other half is held by the smaller people. If we could prove to any of those titled people, back to the time of William the Conqueror, that they had soiled their hands with honest toil, they would commit suicide.

In recent years the younger generation of mine workers have had greater opportunities of at least an elementary education, and the schoolmaster has been abroad amongst them in the shape of what is sometimes termed the agitator, and it has set many of them thinking and asking themselves the question whether it is necessary for the mining population, which with its families numbers almost an eighth of the population of the country, to continue living practically on the verge of starvation, badly housed, and with no voice at all in the determination of their own destiny.

Up to recent years the mine owners (who, it is true, have latterly met the men's representatives and recognized their organization as a body to be negotiated with) declined to supply any information about the inner working of the industrial

concerns; and they have denied, in fact, the miners' right to question the justification of the enormous profits which were being earned in the trade whilst wages were continually kept down to the mere existence point.

The thinkers amongst the miners have by persistent agitation amongst their fellows broadened the outlook of the minds of the mine workers, and have undoubtedly brought about the claims which have recently been promulgated for a higher standard of life and for a reorganization of the mining industry on lines which would give the mine workers a voice in the industrial as well as the commercial side of the business.

To put it quite plainly, they have arrived at the conclusion that the lives of mine workers which are invested in the mining industry ought to count on at least as high a plane as the capital which has been invested by the owners of the mines.

My boys and your boys were "out there."[1] They were told they were fighting for the honor of their country. We can't afford to shed the blood of the young, when such as they cannot claim the land they have defended. Was it for their land that the lads laid down their lives and spilt their blood? Was it really for their own land? No; but for the land of those people who are wrongly in possession of it, and who would never let them live a day unless payment is made of whatever blackmail may be agreed to. If we are still going to leave the land which the men have defended in the hands of a few people, and also retain conscription, it will mean that our lads have died in vain, and their blood will rise and cry out against us.

The co-operators have recently been purchasing some land, but I am not out for a few acres of land for the co-operative movement; I am out for the whole of the land of the country. I sometimes wonder if a millionaire can have a soul. It seems almost impossible that a man who is enormously wealthy can possess a soul and know that thousands of little children are dying from want and starvation in the slums, largely as the outcome of his possessions. The King and Queen are said to

[1] Mr. Smillie had two sons at the front.

have visited the slums, but it is well known that they very seldom see a slum at all. Kings and Queens ought to have sufficient intelligence to know this.

The worst feature of the Coal Commission was not the question of profiteering—and the Government was more guilty of profiteering than the employers were—it was the housing. The dreadful conditions disclosed were known to the ruling and possessing classes long ago, and they need not hold up their hands in holy horror now. The characteristic individualistic movement was absolutely without soul. It is sometimes suggested that if the workers had decent homes they would not keep them clean, but when the workers withdraw their wives and daughters from service in the rich man's home, will that class keep their houses tidy? Will the Countess keep her daughter clean?

Feeling these things, I can't avoid giving expression to them. When I was a lad, I began to wonder why the Duke of Hamilton had two hundred thousand pounds a year, and I got fifteen bob a week. For doing nothing, he received a shilling on every ton of coal raised, and I got eleven pence for risking my life.

We have willing and skilled workers, and a beautiful country. It is not God's fault at all that our people are not prosperous and happy. All that is needed is to organize the land and machinery to produce. Our workers will produce, if we get the guarantee that production is not to make millionaires, but to make comfortable happy homes. I want to produce. The workers want to produce.

But there never can be industrial peace until the land is nationalized, until the railways, mines, and key industries are nationalized; and until the workers have control of the conditions of their working life, along the lines of the Miners' Bill, and the railwaymen's demand. Whitley Councils are not what we mean, nor the National Industrial Conference, nor grievance committees. *We mean control of all the processes, of discipline and management, commercial, financial—a joint control, half by all the workers, half by the State.* The miners

and their leaders attach the utmost importance to the question of the collective ownership of the mines, not so much in their own interests as in those of the general community. They feel that private ownership has failed to develop this great national industry on the lines on which it might have been developed, and that it is only by collective ownership that it is possible to introduce the reforms that are necessary to increase output and probably reduce the selling price of coal by improving the machinery of production.

To do nothing, is an experiment, having bad results week by week. Reversion to pre-war conditions is an experiment fraught with grave peril, so we start from the assumption that some forward step must be taken. *High productivity cannot be got without giving the workers a share in control.* The problem is to reconcile the working classes with the State. *It is a race between Socialism and revolution. Socialism is the only program of reconstruction that is offered.* Against it are arrayed all the forces of disorganization. Socialism desires Government as the expression of the collective will and aspiration. In bringing it to pass, we wish to use the trade unions and the Political Labor Party as the forces.

I think that an effort should now be made to spread the Triple Alliance idea beyond its present borders. There is really no reason why all the large and important unions should not be banded together for defensive purposes. I think that it will become the duty of this alliance ultimately to fight the question of conscription. Some of the trade union leaders have conceived and expressed their function as that of brakemen, to lessen the speed of the movement. Their job should be that of stoker, to bring fire and driving power. Those leaders signed away their executive power in the Treasury Agreement.[1] As a result, some of the unions are without leadership. The engineering unions should be the kings of the industrial movement. But, because of their internal dissensions, the Government does not consider them with the

[1] A war-time agreement of unions with the Government. Mr. Smillie kept his miners out of it.

anxious solicitude which it gives the railwaymen, for example. Then too, some trade union leaders have rebuked local and district strikes as "unauthorized," but these strikes often are the result of a local grievance which should have been taken up and dealt with by the central executive. All this operates to separate the leaders from the rank and file.

The working classes do not yet know what they can do. *When they know that the power is theirs, in five, ten, fifteen years, there will be an avalanche.* Then they will elect a labor Parliament and create a labor Government. In the County of Durham, already they have seen that they have the power, and they have obtained the majority of the county council, believing that the administration of the laws is as important as the making. When they awake to the knowledge of their power, they will possess Britain. A process of education is going on. The Coal Commission helped in this. For some years now, in peace time, there have been each week three to four thousand meetings a week throughout the island. From three to four thousand platforms, economics have been taught to the people. This will continue till they vote their way to power, unless in the meantime the privileged classes, alarmed at the progress made by labor, may precipitate a conflict which might end in revolution.

SECTION FIVE

PROBLEMS

CHAPTER I

WOMEN

THE women of the Labor Party held a conference at Southport on June 24th—the day before the Labor Party met. One hundred and fifty-four delegates were present. Miss Susan Lawrence, of the Labor Party Executive, and member of the London County Council, was in the chair.

Mrs. M. E. Hart of Wigan came to the platform with loud applause. She is one of the three miners' wives who testified before the Coal Commission. Two members of the Commission have stated that the Commission was unanimous on the point that the evidence of these women was of the best, being straightforward, to the point, and well given. The need of better housing and of pit-head baths—the matter of their evidence—was agreed on by the Commission. This was the first time that working women have given sworn testimony before a Statutory Commission. The *Saturday Review,* representing the aristocracy and gentry, called their testimony "twaddle," and was deeply moved by the evidence of the Duke, Earl, and two Marquises, in behalf of their royalties. But the Commission was unanimous against the plea of the royalty owners and in favor of the plea of the miners' wives. Mrs. Hart is a strongly built, stout, apple-cheeked woman, with brown hair. She told the conference of her experience as a witness in the King's Robing Room.

I was a little bit afraid, before I went in, because I expected to see a leading assembly, with a judge in the chair looking at

me over his spectacles. I had never been in a House of Lords. But Mr. Justice Sankey, instead of being a severe judge, appeared to be a jolly-looking gentleman. He came and shook hands with us, and told us we did not need to be afraid, but just to talk to him. That is what I did. I thought to myself, "I'll give it you."

We told him about back-to back houses, and the internal complaints of women caused by heavy weights. We told him of whole families in two rooms. I have seen eleven houses backing on one yard, with their refuse in one tub. The dust comes off from that tub like smoke. We want pit-head baths. We miners' wives want to be clean the same as gentlemen's wives.

Mrs. Andrews of Rhondda, South Wales, another miner's wife, said:

I investigated a case in the Rhondda Valley where the baby was born in a cellar, with the walls mildewing: the only place the family had to live and sleep in. I found out that the mine-owner—the employer of the baby's father—did not live near the mine—those mine-owners do not live near the place in which they get their money. He had his dogs living in kennels fitted with electric light. I do not want the dogs to have a worse time, but I want human beings to have as good a time as those dogs.

Mrs. Despard is a tiny but stately old lady, with lace on her white hair. Under the eternal mist of England, she wears a long black rubber coat, which emphasizes the straightness of her gallant little figure, the lovely whiteness of her hair, and her eagle profile. She demanded that housing be made a national question, "as much as war."

Dr. Marion Phillips is the chief woman officer (that means organizer) of the Labor Party. She is fitted for the long, hard job. The first impression she makes, which long acquaintance only strengthens, is that of wholesomeness and sanity. She has enthusiasm and the scientific mind. There are only a dozen persons in Britain who know as much of food conditions as she. She understands with technical and detailed intimacy the health situation. Her exact information enables her to serve on Government committees and to present evidence

in the industrial area. She has brilliant color and vitality, glossy black hair, and a large, powerful figure, picturesque in a black tunic with two strands of yellow beads. She has a sturdy stride and is a born "mixer." She is an admirable public speaker, with a full voice that carries to the sleeper in the last pew. She knows the news value of facts as against idealistic phrasing, and the deadly instances she gave of speculation in oils, affecting margarine, and cattle foods, and hence the price of milk, appeared in most of the papers of Britain next morning. She demanded a restoration of Government control.

She had previously said:

The question is how soon control can be reinstated with regard to oils, fats, and bacon. It is not so much the absence of pig-breeding as the operations of the American trusts, and the cessation of control. Actually there is a surplus so far as fats and oils are concerned—those of which margarine is made.

Dr. Phillips also said:

It is unpaid work that makes the Labor Party great.

So, with eight million women able to vote, the women are busy on organization and propaganda. But it will require many years of work from the handful of leaders and the few hundreds of awakened women to penetrate the shy, overworked, unaroused masses.

The new constitution of the Labor Party, which was adopted in February, 1918, was in working order at the time of the last annual conference in June, 1918. The three main features affecting the work of women were the establishment of individual membership, the arrangements made for individual women members to work together as Women's Sections of the Local Labor Parties, and the inclusion of at least four women on the Executive Committee of the party elected at the annual conference. The granting of women's suffrage and the impulse towards labor organization under the new constitution has led to greater interest in politics being taken by women

generally and women's organizations than was formerly the case.

Working in agreement with the women of the Labor Party is the Standing Joint Committee of Industrial Women's Organizations. The Standing Joint Committee of Industrial Women's Organizations was founded in 1916 and, from time to time since, its constitution has been amended in order that it may better fulfil its objects. In general terms these are to watch over the interest of working women, and help to carry out the principles of the labor and co-operative movements in so far as women are specially concerned. The committee also acts as an advisory body on women's questions to the Executive Committee of the Labor Party.

The committee now represents: the Women's Trade Union League, the Labor Party, the Women's Co-operative Guild, the National Federation of Women Workers, the Railway Women's Guild. In order that it may be fully representative of all women within the labor and co-operative movements it invites representation from the Parliamentary Committee of the Trades Union Congress, the Co-operative Union, and "industrial organizations, of which a substantial number of the members are women, which are national in character, and are accepted by the committee."

The committee has been constant in its efforts to keep before the labor movement and the whole community the special interests of working women. Among these efforts must be considered its work in many deputations to Ministers which it has organized or in which it has taken part, when legislation has been before Parliament, especially in relation to the Ministry of Health Bill, the Emancipation of Women Bill, and the question of women's unemployment.

Mary R. Macarthur is chairman; Margaret Llewelyn Davies, vice-chairman, and Dr. Marion Phillips, secretary.

The year's work has been chiefly notable as recording increased political activity among women, both nationally and locally. For the first time women have stood for Parliament under the auspices of the Labor Party: in a large number of

areas, labor women have been successful candidates at local elections: both the scope and importance of women's work on national administrative and consultative bodies have increased.

I think it fair to say that, with the exception of perhaps fifty women, women as a group (up to the year 1920) did not exercise the influence in industrial and political affairs in Great Britain which they have exercised in recent years in the United States.

Exceptional British women were as potent as certain women are in our country. These exceptional women would include Mrs. Sidney Webb, Mrs. Henry Fawcett, Mary Macarthur, Margaret Bondfield, Dr. Marion Phillips, Margaret Llewelyn Davies, Susan Lawrence, Mrs. Sanderson Furniss, Margaret McMillan, Maude Royden, Mrs. Pember Reeves, Mrs. Pethick Lawrence, Mrs. Despard, Mrs. Philip Snowden, Eleanor Rathbone, Dr. Janet Campbell. These women have ranked in Britain as Jane Addams, Lillian Wald, Mary Drier, Mary McDowell, rank in America.

Woman is the forgotten factor, which will upset the equation. Blithely officials and owners and labor leaders scheme their man-made world, while six million women in occupations (some of them emancipated, and most of them soon to have a vote) alter every calculation made. Inferior status has been and continues to be the economic position of women. Employers, the Government and trade unions, concur.

Mrs. Webb writes:

> The inequality has, during the war, actually been embodied in agreements between the men's trade unions and employers' associations, coupled with a solemn bargain that after the war the women should be excluded from the men's jobs.

G. D. H. Cole writes in *An Introduction to Trade Unionism:*

> The great majority of skilled craft unions admit only male workers, and would refuse to accept women on grounds of sex alone, even if they were otherwise eligible for membership. Women are not admitted into any of the craft unions in the engineering,

shipbuilding, or building industries. The transport unions on the other hand, including the National Union of Railwaymen and the Tramway Workers' Unions, have adopted the policy of organizing women, and endeavoring to secure for them full rates. The part played by women in framing the policy of the trade union movement is still exceedingly small.

The War Cabinet Committee on Women in Industry report on this point:

The attitude of Trade Unions towards the employment of women, in part dictated by men's ideas as to what work it is decent and proper for women to perform, has also been influenced by the fear of the effect of women's competition in ousting men from occupations or in lowering their standard of life, a fear justified by the fact that degradation of the standard invariably followed the introduction, on account of its cheapness, of female labor. In occupations in which women have established themselves the efforts of the men's Trade Unions have been directed towards confining them to the processes which, in the men's opinion, are the better suited to them, or to keeping them from particular machines or tools, weights and sizes of implements, materials and products. This has been done rather by getting the assent of employers to the rules of the Union than by written agreements, though in some instances such agreements are extant; for instance, one between the Federated Associations of Boot and Shoe Manufacturers and the National Union of Boot and Shoe Operatives, made shortly before the war (5th May, 1914), which provides for the gradual cessation of the employment of females amongst male operatives in the clicking, press, lasting, and finishing departments of the Boot Making Trade, in which operations male labor was then almost exclusively employed. The men in various trades have also refused to admit women to their unions, and thus to give them the advantages of their organization—this, in spite of the success in securing the interests of the workers which had been effected in the Cotton Unions and was promised in the Shop Assistants' Union, where women have been organized with men.

There are some unions still existing that have admitted women since 1850, but such unions first became effective in

the cotton trade forty years ago and only during the present century have women been organized in considerable numbers in other industries. According to *The Labor Year Book* of 1916, in the ten years previous to 1914 the numbers had gone up from 113,715 in the textile and 15,369 in all other trades, to 257,281 in the former and 99,682 in the latter, or to a total of 356,963, made up as follows:

Cotton	211,084
Other Textiles	46,197
Clothing	22,830
Shop Assistants	24,255
General Labor	23,677
Other Trades	19,295
Employees of Public Authorities	9,625
Total	356,963

This was between six and seven per cent of the number employed.

Certain unions organize only women. There are craft unions: Society of Women Welders, Manchester Union of Women in the Bookbinding Trades. There are industrial unions: Independent Women Boot and Shoe Operatives Union, the Women Hosiery Workers' Union, the Women Silk Workers of Leek. There are general labor unions: the National Federation of Women Workers.

There are unions containing men and women: the textile unions; the National Union of Printing and Paper Workers; the National Amalgamated Union of Shop Assistants, Warehousemen and Clerks; the Amalgamated Union of Co-operative Employees.

War had strengthened the organization of women in trade unions. There were about 750,000 female members. The National Federation of Women Workers had 75,000. The National Union of General Workers had 60,000 women in their membership of 350,000. The National Amalgamated Union of Labor had 35,000 in 175,000. The Dock, Wharf, Riverside, and General Workers' Union had 8,000 women to-

bacco workers, 3,000 chocolate workers, and others. The Workers' Union had 60,000 female workers. The National Warehouse and General Workers' Union had 10,000. The textile trades unions had 350,000 women. The National Union of Railwaymen had 30,000.

The War Cabinet Committee reports:

> The committee are not aware of any case outside transport in which trade unions previously confined to men have admitted women to membership. The question is understood to have been mooted by the Amalgamated Society of Engineers, but the exclusion of women has hitherto been based upon a demarcation of skill rather than of sex. A small new union was formed within the engineering trade by the Society of Women Welders, which may prove to be a pioneer of skilled craft unionism among women. It is, of course, too early at present to say whether the extension of trade unionism among women which has been caused by the war will be permanent or not. It seems probable that a decline will follow the cessation of munitions work.
>
> The best hope of real and permanent amelioration of the position of women in industry lies in trade union action.

Textile trades engaged two-fifths of all women in industry, and of all workers in textiles, four-sevenths were women. Their trades-union organization had gone further in this industry than in any other.

In July, 1918, the total number of occupied women had, according to Board of Trade figures, increased by twenty-two and one-half per cent, or from just under six million to nearly seven and one-third million as shown in the following table:

Number of Women Working	In July, 1914	In July, 1918	In July, 1918, over (*plus*) or under (—) Numbers in July, 1914	
On their own Account or as Employers	430,000	470,000	*plus*	40,000
In Industry	2,178,600	2,970,600	"	792,000
In Domestic Service	1,658,000	1,258,000	—	400,000
In Commerce, etc.	505,500	934,500	*plus*	429,000
In National and Local Government including Education	262,200	460,200	"	198,000
In Agriculture	190,000	228,000	"	38,000
In employment of Hotels, Public Houses, Theaters, etc.	181,000	220,000	"	39,000
In Transport	18,200	117,200	"	99,000
In other, including Professional Employment and as Home Workers	542,500	652,500	"	110,000
Altogether in Occupations	5,966,000	7,311,000	*plus*	1,345,000
Not in Occupations, but over 10	12,946,000	12,496,000	—	450,000
Under 10	4,809,000	4,731,000	—	78,000
Total Females	23,721,000	24,538,000	*plus*	817,000

Trades	Estimated number of Females employed in July, 1914	Estimated number of Females employed in July, 1918	Difference between numbers of Females employed in July, 1914, and July, 1918	Percentage of Females to total number of Workpeople employed		Estimated number of Females directly replacing Males in Jan., 1918
				July, 1914	July, 1918	
Metal	170,000	594,000	+ 424,000	9	25	195,000
Chemical	40,000	104,000	+ 64,000	20	39	35,000
Textile	863,000	827,000	— 36,000	58	67	64,000
Clothing	612,000	568,000	— 44,000	68	76	43,000
Food, Drink, and Tobacco	196,000	235,000	+ 39,000	35	49	60,000
Paper and Printing	147,500	141,500	— 6,000	36	48	21,000
Wood	44,000	79,000	+ 35,000	15	32	23,000
China and Earthenware	32.000	197,100	+ 93,000	4	10	62,000
Leather	23,100					
Other	49,000					
Government Establishments ...	2,000	225,000	+ 223,000	3	47	197,000
Total	2,178,600	2,970,600	+ 792,000	26	37	704,000

An inquiry on wages in 1906 showed that the average earnings of operatives working full time in an ordinary week in the four main divisions of industry proper were as follows:

	Men	Lads and Boys	Women	Girls	All Workpeople
	s. d.	s. d.	s. d.	s. d.	s. d.
Textiles	28 1	10 5	15 5	8 11	17 6
Clothing	30 2	9 8	13 6	5 9	15 1
Metals	33 11	10 4	12 8	7 4	27 4
Miscellaneous ...	28 6	10 3	11 7	6 6	21 7

The *Labor Year Book* of 1916 published an unofficial esti-

mate of the earnings of the employed and manual working wage earners in the United Kingdom in the year 1912. It gives the average earnings for adult employed manual working women, working throughout the year, as 10s. 10½d. per week, as against 25s. 9d. for men, and the average earnings of women in situations as 12s. 4d.

The great majority of female workers in Great Britain were before the war paid much less than a living wage.

The War Cabinet Committee sums up the war-change:

A comparison between the general level of women's wages with that prevailing before the war, makes evident how far-reaching are the changes involved. The *Labor Gazette* of January, 1919, points out that whereas the total weekly advance to workers in industry amounted to less than £400,000 in the five years 1910-1914, in 1915-1916 (two years) it reached about £1,300,000, in 1917 £2,307,000 and in 1918 £2,783,000, or close on £145,000,000 a year affecting between five and six million persons. The pre-war average of women's wages was estimated on a liberal basis at 3d. an hour, or 13s. 6d. a week.[1] In the metal trades, by the end of 1918, the rate was approximately doubled, and the average earnings, including war wages, practically trebled. It is probable that the average of women's earnings over the whole field of industry proper were towards the end of the war nearer 35s. than 30s. weekly. There were approximately one million women employed on munitions work, and their minimum rate, exclusive of all overtime, night work, and excluding balances made on piece, premium bonus or bonus on output, was 33s. a week towards the end of 1918. Against this are to be set the women's trades, such as millinery and dressmaking, which felt comparatively little influence from the war conditions, though even the trade board minima rose considerably during the war. On the other side, there were large numbers of women, e.g., those in the transport trades, who replaced men at the men's rates and were generally earning more than the munition workers. Even in a trade apparently out of the main stream of munitions' influence, such as

[1] This is the Committee's estimate.

The *Labor Year Book's* is 10/10½d. for employed manual working women (1912).

cigar-making, the earnings of women now are estimated by the trades union as being between 30s. and £3 a week.[1]

But the promise of the Government (in the Treasury Agreement) to the trade unions will, when fulfilled, bring the exclusion from any establishment of women doing work which was by practice exclusively men's work before the war. Before summer, 1919, 400,000 women were reported out of work. And with the removal of the Wages (Temporary Regulation) Act of 1918, wages of women are sure to tumble. The only machinery to cope with this are the Joint Industrial Councils and the Trade Boards.

The Joint Industrial Councils have made certain wage-decisions in behalf of women. But because the women are mainly employed in an auxiliary capacity, not separately organized, and not directly represented, "it is conceivable that women falling under the Joint Industrial Councils may find their interests less efficiently safeguarded than if they were under a Trade Board. Joint Industrial Councils are still some way off any comprehensive regulation of women's wages."[2]

By the 1913 extension of the Trade Boards Act, about 320,000 women were brought inside that legal regulation of wages. At least a million more could be fittingly brought inside trade boards.

The immediate future is black for the working women of Britain. Exploitation by employers, indifference on the part of the Government, the ignorance and selfishness of male trade unionists, the weakness of women, all these will play their part in leaving women wailing at the gate. There will be no complete solution until they organize in trade unions and until they use the vote. No one is going to help them but themselves.

[1] "The bulk of women were earning between 10s. and 15s. before the war, when 17s. was the least sum a woman needed to maintain herself decently. They now earn between 25s. and 35s. (12/6d. and 17/6d. by pre-war standards)."—"The Course of Women's Wages," by Dorothea M. Barton, read to the Royal Statistical Society, June 17, 1919.

[2] Joint Industrial Councils are popularly known as Whitleys.

Permanent gains have been made in the last seventy years and in the last five years. State regulation of women's work before the War was through the Factory Legislation enacted from 1844 onwards. While much of the legislation was in the interests of the cleanliness, health, and safety of workers generally, parts had special application to young persons and women in factories or workshops. It excluded women from employment underground or in moving railway wagons, from brass casting and certain processes in the manufacture of white lead, and it imposed periodical medical inspection on those engaged in lead processes in the making of china and earthenware, with suspension or exclusion where liability to poisoning was shown. Restrictions were placed on women working between, or cleaning certain parts of, machines in motion. Provision was made for separate rooms for meals and separate sanitary accommodation. Women were prevented from working at night—usually between 9 P.M. *and* 6 A.M.—and (with an unimportant exception) on Sundays or the recognized public holidays. Their working week was limited in the case of non-textile industries to sixty hours, and the working day to a maximum of ten and one-half hours and seven and one-half hours on Saturdays; spells without meal interruptions were limited to five hours. In the textile trades the limits were fifty-five and one-half hours for the week, ten for the day and five and one-half on Saturdays, and four for spells. Overtime was not allowed in the textile trade, and limited in most others to thirty occasions in the year, and to not more than two hours (including half an hour for a meal) on any one date. Certain latitude was given in this respect in laundries. The holiday and meal regulations for shops applied to men as well as women, the only special shop regulation for the latter obliging the employer to provide at least one seat to every three shop assistants. An occupier of a factory or workshop might not knowingly employ a woman within four weeks of the birth of her child. A provision in the law applying to all classes of workers which is claimed to have specially benefited women workers, both home and out, is that which compels

clear information and particulars of the work to be done and of the piece rates applicable to be given to piece-workers before they commence work in the textile, clothing, and certain other trades.[1]

Supervision of the health of the industrial worker has come as the result of the War. Dr. Janet Campbell has given a convenient summary:

Special arrangements for the supervision of the health of employed men and women were almost non-existent before the war, except in those trades scheduled by the Home Office as dangerous. During the war an extended supervision has been considered advisable, especially where women are employed, partly on account of the peculiar dangers to health involved in handling various high explosives, partly because the exceptionally heavy nature of some of the work might result in definite physical injury, and partly because of the long hours, night shifts, etc. It has been suggested that when normal conditions return the care of the health of workpeople should be developed rather than curtailed, especially where women and young girls are concerned. Before considering what is possible or desirable, it may be useful to set out the powers already possessed by local authorities in regard to medical examination and treatment.

Under the *Notification of Births (Extension) Act, 1915,* every birth must be notified to the Medical Officer of Health within 36 hours, and under this Act and the *Maternity and Child Welfare Act, 1918,*[2] the Sanitary Authority have power to make arrange-

[1] See War Cabinet Committee's Report.

[2] The State aid at present available for nursing and expectant mothers is as follows:

(a) *Maternity Benefit* under the National Insurance Act, which is a contributory benefit and which amounts to 30s. or 60s. according to whether the wife is insured as well as the husband. It is payable to the mother herself at the time of the birth and its expenditure is uncontrolled and unsupervised. There is no doubt that the maternity benefit has been of great service to many mothers at a period of financial stress and has enabled them at least to pay a doctor or a qualified midwife.

(b) *The Maternity and Child Welfare Act, 1918,* empowers the Sanitary Authority to provide assistance for mothers who require it in the

ments for the health and welfare of mothers and young children.

The *Education (Administrative Provisions) Act, 1907*, placed upon local education authorities the duty of medically inspecting every child on admission to school and at such subsequent periods as the Board of Education should determine. It also gave power to the authorities to provide treatment for physical defects so detected. *The Education Act of 1918* imposes upon authorities a duty to provide adequate and suitable treatment for children in attendance at Public Elementary Schools. It also imposes a duty to provide for the medical inspection of boys and girls under 18 years of age on admission to certain educational institutions, including continuation schools, and on such other occasions as may be prescribed by the Board of Education, in addition to giving power to provide facilities for medical treatment. Under the *Factory and Workshop Act, 1901*, the certifying factory surgeon gives certificates of fitness for employment to children employed in factories (but not in workshops) and to young persons under the age of 16 which are based on a personal medical examination. The examination is often perfunctory, and as it is not followed up by inspection and treatment is largely useless. In addition to this duty the certifying factory surgeon is responsible for the monthly examination, and, if necessary, the supervision of men and women engaged in "dangerous" trades; further, all serious accidents and cases of poisoning or of anthrax must be notified to him. He also has certain duties in regard to compensation under the *Workmen's Compensation Act, 1906*. When the young person reaches the age of 16 he comes within the provisions of the *National Health Insurance Act*, and is eligible for the benefits of medical treatment, sick pay, etc., therein prescribed.

Provision has therefore already been made for medical inspection and treatment under the local education authority up to 18 years of age. When the new Education Act has had time to become fully operative we may assume that the boy or girl entering industry will have been under regular medical care and super-

form of treatment by medical practitioners or midwives, advice or help through Health Visitors, Maternity Centers or Infant Welfare Centers, and food or milk for mother or child if required. Machinery for full utilization of the powers thus granted is not yet in existence, but foundations have been laid upon which a complete system of municipal advice, treatment, and general help may eventually be constructed.

vision during the whole of school life and will have received treatment for such physical defects as have revealed themselves. The health records so obtained will indicate whether a child is unsuited on physical grounds to enter any particular occupation, and with the aid of the juvenile employment officers such children should be directed to work which is not likely to prove injurious. During the first three or four years of employment, some of the most important from the point of view of physical health, the young person will remain under the supervision of the school medical officer, and will be subject to further periodical medical examinations.

The main industrial battle of the next five years will be fought out with women as an auxiliary body of labor, enjoying inferior status. Their pay used to be somewhat less than half that of men. During the War it rose to rather more than two-thirds. It will fall to less than half. Munitions work was not a gold mine for the operatives: it was, for the average, a living wage. And this for the majority of the women was the first time they had ever made a living wage. The vested interest of the male, the active resistance of male workers, the inertia and unscrupulousness of employers, the Pontius-Pilate attitude of elected persons, all the old veiled hostilities will again be aimed at the "saviors of the Empire."

"The assumption that men as such must receive higher pay because they have families to support, and that women, as such, should receive less because they have no such family obligations, is demonstrably inaccurate to the extent of twenty-five or even fifty per cent," says Mrs. Webb. And the percentage will grow higher as the fruits of the last war are more fully garnered, and as the present military plans of the Secretary of War are carried out into action. Just as the pledge of the Treasury Agreement (that the women employed in war work in substitution of men should receive the same pay as the men they replaced) was cleverly broken by the Government, for the most part, so future promises will be evaded till the day comes when women have the bargaining power and pressure of organization.

Many of the 400,000 ex-slavies will be driven back into domestic service. There are 200,000 widows of working-class men. There are fatherless children to be provided for. The problem of "the treble strain of childbearing, wage-earning and household drudgery" will be intensified in the grim days of national poverty which England now enters on. "Lloyd George's munition girls"—those "splendid women"—face a future which will put the iron into their souls, and will slowly but inevitably turn them into a political and industrial organized group as powerful, as menacing, as the hosts of the Triple Alliance.[1]

[1] The *Labor Gazette* of January, 1920, gives the latest (1918) statistics on trade union and kindred membership. The total male membership was 5,400,000. The total female membership was 1,220,000. This is an increase of 36% in one year for women. The approximate membership of women (no exactness is possible) was

Textiles	418,000
Clothing	120,000
Printing, paper	37,000
Shop assistants, clerks	74,000
Miscellaneous	282,000
"General" unskilled unions	212,000
Employees of public authorities	77,000
Total	1,220,000

CHAPTER II

BOTTOMLEY

[Horatio Bottomley, editor of the weekly, *John Bull,* is selected here merely as a representative of those who distract public opinion. The soldier and the worker read him and his like. The problem is this: How are the statesmen of democracy to convince the rank and file and to persuade all classes in the democracy, when the channels of publicity are largely in the hands of opponents?]

ALL the preceding chapters have gone to show the just and merciful elements in British character—the fine idealism of General Smuts and Lord Robert Cecil, the broad-gauged patriotism of some of the great employers, the level-headed labor leadership of Smillie, Hodges, Arthur Henderson, and Clynes, the sincere efforts in social reform of Government officials like Dr. Addison, and Sir Robert Horne.

But to appreciate the struggle of these men, it is necessary to know that there is an evil minority in the community who would push this kindlier order of society back into the jungle, if they could. "There are," as Lloyd George said on April 16, 1919, "wild men screaming through the keyholes."

Mr. Horatio Bottomley is representative of a strong and large element in any society.[1] It is the mob as distinct from the democracy. We all have in us hate, revenge, fear, and grab. He appeals with emotional force to this brute streak. He

[1] Mr. Bottomley flourishes. In addition to owning and editing *John Bull,* he partly controls the *National News,* the *Sunday Evening Telegraph,* and he contributes the leading article to the *Sunday Pictorial.* The mainspring of his inner life he revealed in the House of Commons on November 4, 1919: "I am a Hun-hater. I live to hunt the Hun. I intend to do it all the days of my life."

appeals to Britain in its heavy holiday mood—to the crowd of the public house, the music hall, the prize fight, the dog fight, the horse race, the professional football game, dirty humor, and the spirit of sport on its savage gambling sides. His spiritual allies are: the haters of the Irish, the commercial imperialists, the militarists, some of the daily press, much of the Sunday press, the *Morning Post* and the *Saturday Review.* He is the voice of the bitter, greedy, hate-elements in our common humanity.

On April 19, 1919, Mr. Bottomley wrote:

The things which matter are (1) indemnities; (2) the punishment of the Kaiser; and (3) the future of the German colonies. I don't trouble myself about the League of Nations dream—that can wait. I am thinking of the ten thousand millions which, in one way and another, the war has cost *us;* and the crimes and atrocities which, in obedience to his command to "emulate the example of Attila," the German soldiery have been guilty of, and of those territories contiguous to various parts of the British Empire which, before the war, were under the malignant sway of Germany. I wipe out, therefore, not only the League, but also the "Freedom of the Seas"—whatever that may mean—"economic boycotts," and all the rest of it. And whilst the Allies are groaning under the burden of war debt and taxation, and Germany is either recovering herself—or *concluding a Bolshevist bond with Russia and China*—America is to "scoop the pool!"

Why have we an army on the Rhine—except to enforce our will upon the enemy? No! there must be no more talk—no more Little Tens and Big Fours—no more commissions. We have had ample time to make up our minds—I believe, too, that France is at one with us—and if Mr. Wilson doesn't agree with our demands—well, we are much obliged for his assistance—late as it was, when it came—and now he can go home. We have had just about enough of his lectures and protestations, and there is splendid irony in the fact that the *George Washington* is the boat which is to take him back.

What fools we have been! And all to oblige Mr. Wilson, who sat in his study, three thousand miles away from the battlefield,

writing "Notes" and drafting "Points," whilst France and Britain and Belgium and Italy were being bled white! To paraphrase a well-known tag, "What fools we mortals be!"

As I have said, in the House of Commons and out of it, the British case has been too much influenced by the so-called idealism of President Wilson.

Mr. Bottomley's attacks on Americans are frequent. He is a prominent figure in Parliament. His ideal for his country is that of a more vindictive Prussia. He attacks all that is noble in England, and opposes the movement of the democracy. He speaks fluently with the swing of a music-hall monologist. With his facile and copious emotions, he has a real pity for the "hard luck" of the poor. He fights against slumland. He pours light on individual cases of injustice. He has ready tears for ruined girls, particularly when the story of their wrong will smack a little smuttily in the columns of his weekly.

He is as powerful and disintegrating and dangerous to the British community as Mr. Hearst is in America. With the million circulation of his *John Bull,* his crowded meetings, and his speeches in Parliament, reported throughout Great Britain, he exercises a black magic on the mob consciousness.[1] He is one of those lusty growths which only come to their perfect bloom in the climate of war. Safe from the slaughter, he cheers on "an adequate army of occupation—that's the stuff—and the only stuff—to give 'em." In that emotional revel, which war is to this type of civilian, he rejoices in the spectacle of nations bleeding.

[1] This hate is facile. It has at times been turned by mob publicists against Serbia, France, Russia, America, Ireland, with the same force and phrases as those used against Germany.

CHAPTER III

WARBLINGTON.—THE OLD ENGLAND

[This chapter is given by way of contrast. Old England still lingers in a few of the villages and in by-streets of great cities. It has a beauty which the modern world cannot create: a beauty of nature, and of art, and of traditional association. The tanks of civilization are bearing down on this. Will any fugitive remnant at all be left?

The yew tree and the church and the ancestral home are a portion of this inherited beauty, which was once resident in both the natural world and the man-created world. Already it is proposed to raze some of the old churches. Men like Cunninghame Graham and W. H. Hudson have protested against the destruction of the woodland life—many species of birds, now seldom seen; the ponies of New Forest, wounded and left to die by speeding motor-car drivers. In making all things new, will the inheritors leave anything of Old England?]

THERE are men who are fittingly placed in life, like a tree in its soil. Such was George Herbert at Bemerton, and Wordsworth at Ambleside. Such is William Norris, rector of Warblington, in the County of Hampshire. For forty years he has gone in and out among his people, his ministry connecting their brevity of life with the past of their race, and so bequeathing values to the future of which haste and change would bereave them.

His house is entered through a long avenue of hundred-year-old elms in double line, crossed, at one point, by lofty oaks of a still older day, as if a Norman chancel were cut by a transept of early English design. Overhead the topmost branches meet in a rounded arch, curving from either side.

Under foot the rich undisciplined grass is tawny with buttercups. At the far end of the lane of trees, a sixth of a mile distant from the entrance gate, stands the rectory, seen through that swaying shadowy canopy like a blur of dull gold. Down from the rectory to the intersecting oaks a double row of daffodils come racing with their yellow-gold through the months of February and March. These Lent lilies, like the later buttercups, lend a touch of relieving color to the cool shade of the oak and elm. A portion of the house is three hundred years old, and on its south side, facing the all-day sun and the English Channel, the shell of lichened brick is pierced at ten points by windows, so that it is open-eyed, and eager to gaze out on forty acres of fertile glebe, grass land all, and on the precipitous tides at the rim of the meadow. Those tides are seen lifting their full-bosomed plenty, and then, as swiftly and silently, shoaling till the floor of the earth thrusts through, with the wet green glistening sea grass veiling the nakedness of mud flats, and white seagulls camping in the trickling channels that dent the face of the sea-bottom like sword-scars on a cheek.

For one hundred and twenty years the rector's people have dwelt right here, grandfather and uncle, handing down "the living" through the generations. Inside the home are rooms of lofty ceiling and ample space. And so through dining-room and drawing-room to the heart of the house, the study, where the books flow up from the floor as high as the ceiling. Two circular bookcases of mahogany are shaped to the curving walls, as if to the stern of a ship. The shelves are heavy with sound pieces of book-making: an eighteenth-century edition of Swift, a second edition of De Quincey, Smollett, complete Gibbon, South, many books of mysticism, novelists, poets, philosophers.

The lifetime of the rector's reading is massed around him, like silent troops ready to be mobilized on the instant call. Here are sturdy editions of the time-defying paper and stitching, with levant covers touched by those smoldering colors of autumn leaves, which make a library in early evening light

seem like the mulch of a late October forest. These are books that could never fall from our hasty presses, but were fashioned patiently for resisting the little casualties of human ownership. Such furniture blends with a room which has survivid much occupancy, and still preserves its own aloofness, unperturbed by what has fluttered across its threshold. In the center of the room sits the man who has read his way around the room. He reads and marks, volume upon volume traced with his pencilings, so that later work is but heaping up for transportation of crops already harvested and winnowed. Such quiet labor, so long maintained, the effort of the days of a lifetime, falls inside the same compulsion which ripens into stateliness the blown and casual seeds of the natural world.

From "a little and a lone green lane" you come in sight of his wide-roofed church, deep-set in elms and yew trees, and hard by the solitary shaft of a castle. He has preserved the old trees of the churchyard, clearing their bases of what might clog their hold on a future life, wiping away the weeds from tombstones, so that many quaint hopes of immortality can again be pricked out by chance visitor and lingering communicant. Here he, too, in his mortal way, has taken root and ripened, till he seems a part of his gracious landscape and of his time-enduring transept.

The old north porch of oak is mellowed to the hue of stone. Its barge-board and its swinging door have weathered six centuries on duty there, and still the wood is hard and ringing to the blow of knuckles. Once it served as the knee of a ship, long before Columbus took to the sea-ways. In its first youth heaving and washed on by salt, now in maturity it is at rest on English soil, a shelter against fresh rains. Where the chancel ceiling had fallen wholly to ruin the rector rebuilt. Where the dark-beamed ceiling of the nave had been overlaid with plaster by gross builders, his uncle, rector before him, struck away the whitewash and let those stalwart ribs again reveal the weight they carry down the years. "Thomas Hardy would not be displeased with this, you

know," he said. "He is an architect by training, and he knows what is rightly done." The church is some of it six hundred years old, and a little of it reaching back for a thousand years in the rounded Saxon arches of the central tower, with a scattered few red bricks of Roman baking glowing through the gray.

But older than his church is the tree on the south side of the chancel. Indeed it is likely that the church came there in adoration of the tree, for such a tree would draw the early piety of the Saxon villagers, and they would have raised stones and shaped a worship to tell their reverence for so living a growth. The rector led the way to that staunch yew of a thousand years, with its twenty-six feet of girth. It stands unpropped, with no feebleness of drooping outworn member. "No better tree in England," he said. The butt had formed and reformed in tangled mass to the height of a man's head, as if the roots had leaped from their hidden life under the earth and sought to climb toward the light. And, beaten back in each age they had thickened their coil about the parent stem in fierce possession, determined at least to hold what was already gained, if fresh height and flourish were to be denied. The teeth of storms had been fastened in that clustered fiber, and then the angry indentations worn smooth by the play of softer winds and gentler rains. And up from the gathered strength at the base the trunk lifts itself unwearied and straight. There is a patience to the ancient thing, as if it were some grim old warrior, resting in the sun after long toil—the face pitted with strife and sternness. Unconsciously it leveled other matters to their due proportion: the lives of men, with their little duration, spanning, for all their heat, only the ripening of a few shoots from the yew tree's central shaft. And it reduced to a proper dimension the work of human builders whose cunning could avail for only a brief term against crumbling. All man's restoration is done each age from a fresh unrelated impulse, the old secret lost. At best he can but patch antiquity, never lead it on to inherit the future by invisible threads of con-

nection—never quite recover the early blitheness and happy off-hand stroke that shepherded some slender pier into a spray of efflorescence at its crown. But each new energy that carried through the sap of the tree had unfolded itself within the one enduring growth, a seamless garment from a silent loom.

SECTION SIX

THE SUMMING UP

What is the good of all the wealth and comfort and glamor of the Victorian age when the next two decades bring us to the graves of ten million young men slain because of the base passions of greed and domination which lurked below the smiling surface of that age? The game is not worth the candle, and we should rather welcome the new and difficult times on which we are now entering.

For doubt it not, we are at the beginning of a new century. The old world is dying around us; *let it also die in us.* Once more in the history of the human race we hear the great Creative Spirit utter those tremendous words, "Behold, I make all things new."

GENERAL SMUTS.

ENGLAND had won the War. By that process of Nature which works so inevitably for her, she had acquired unsought territory. Her War-Premier had won his khaki-election, after promising audacious things. The year of peace opened propitiously.

But at the moment that private enterprise, under the capitalistic system, was facing its brightest future, with weak countries ripe for exploitation, with raw materials located and controlled, with science equipped for turning them into standardized products, just at this pinnacle of power, an unexpected disease struck paralysis throughout the system. Labor, on whose docility depended the extension of beneficent Anglo-Saxon rule over lesser breeds, went "bad." For the six years before the War, indeed, signs of trouble had been increasing, but only cranks and experts had regarded them. Then came the War with its healing touch. But even here, the wholesale slaughter did not result in the enrichment of life which was hoped for by both bishops and editors. Memories

of the Brotherhood of the Trenches fail to content the demobilized Tommy with the England to which he returns. By the guerilla warfare of sectional strikes and one-day stoppages, by the mass warfare of great strikes, by the steady wear and wastage of slack work, petty obstructions, and passive resistance, the workers pick and nibble and dynamite the system to pieces. Capital no longer invests in growing volume. Labor no longer works with heartiness. Industry is running down.

Those who work are fighting those who own. The workers no longer think that the shareholders are wiser than they. An old Oxford friend said sadly to me:

> Ten years ago, when I came into a crowded bus, a workingman would rise and touch his cap and give me his seat. I am sorry to see that spirit dying out.

The workers are beginning to use a manner of jau· ·equality in dealing with those passengers who travel through life on a first-class ticket. It is a spiritual change which will register itself in new social institutions. The workers believe that they have been "had." The porter, waiter, miner, machinist have penetrated the secret of the significant class, and have found it is not fixed in the eternal scheme of things that the workers should insure the harmonious leisure of a superior caste. They are willing to take the risk of making fundamental economic changes in order to express this new consciousness. If it is poverty the future holds, the worker is willing to share it with the rich. If it is the carking worry of responsibility, the agonies of the directorate in bossing, the worker stands ready to lighten the load.

Certain ideas one believes to be knit into the fiber of a people. Suddenly they fall away—outworn shells. So the class idea falls away in England, just as the worship of the Czar by Russians died in a night. Reverence for the gentry, for the privileged, for the idle, has withered. With the idea gone, the institutions built upon it go. Until Britons learned

the incapacity of the governing class, the selfishness of the owners of land and capital, the Old Order and the Old Gang were impregnable. That is the change in spirit, beginning to show itself by 1910, but hastened by the War. In my opinion, this change is the most profound in its grip on instinct, the most far-reaching in its consequences, of any. All other changes wait on that, and follow from that. An American philosopher, Ralph Barton Perry (in *The Present Conflict of Ideals*), has expressed the significance of this change in the psychology of a people. He writes:

> We have encouraged the poor to aspire to wealth, the ignorant to seek light, and the weak to covet power. We have done more than this—we have shown them the way. For we have compelled every man to secure the rudiments of education and thus to become aware of the world about him. We permit the organization of the democratic propaganda, we supply the motive, and we bring every man within the reach of it. Last and most important of all, we have distributed political power equally among men of every station and condition; with the result that the very few who are fortunate may at any time be out-voted by the overwhelming majority of those who are relatively unfortunate. Does any sane man suppose that what has been scattered broadcast can now be withdrawn? Or that those who possess the opportunity and know it are going to refrain from using it?

From the day of the armistice, labor unrest increased. The immediate occasions of the almost universal unrest were:

1. The fact that the labor vote in the December election did not receive its proportionate representation in Parliament, whereas a little over 50 per cent of voters elected over 75 per cent of coalition representatives. Labor's vote entitled it to at least one hundred and twenty-five seats.
2. Mr. Lloyd George's attack on the labor leaders as "Bolshevists."
3. Widespread unemployment, numbering about one million workers; whereas
4. The Government was selling national factories (which

could have been used for national service) into private hands and purposing to sell the new national shipyards into private hands.

5. The increasing volume of proof of war-profiteering on the part of a few and no evidence of a "New England" for the many.

6. Lack of Government policy concerning demobilization.

7. Failure to apply Whitley councils to Government services, such as the Post Office.

8. Failure to give a clear statement on nationalization of mines and railways, on continuation of conscription, on wages.

9. Failure to withdraw war restrictions, such as imprisonment of political prisoners, the continuation of D.O.R.A.

10. The jazz restlessness, the result of war weariness.

The great cities went dancing madly. There were a slackness and abandon which I do not remember having seen in nineteen years of visiting in England. War had bred a fatalism, a carelessness about to-morrow. The soldier was tired and sad and ready for excitement. The worker was tired and bitter, distrustful of Government promises. The strikes and threats of strike (engineering, shipbuilding, electrical, transport, railways, mines) were aimed immediately at maintaining the wage scales of the War and preventing unemployment.

Mr. Lloyd George, pausing in his work at Versailles, came home to cure unrest. In nothing are his touch and technique swifter, surer, than in his improvisations for labor disturbance. So this time he projected the National Industrial Conference and the Coal Industry Commission. In each crisis, he believes that what is wanted is a lightning rod, not an insurance policy. Each time he smiles and seems to say, "Why so hot, little man?"

So the months passed. Labor began the year at high revolutionary speed, but there came a fade-away, because of:

1. The failure of strikes and uprisings (such as the Clyde engineers, Yorkshire miners, the second police strike).

2. The influence of labor leaders affiliated to the Triple Alliance—Will Thorne, Clynes, Thomas, Sexton, Tillett.

3. The influence of Arthur Henderson.

4. Realization of the nation's financial condition (statements of Hoover and Lloyd George).

5. The enjoyment of labor gains already made—gains relative to other classes, former lot, and the general situation.

6. The discount of wildness or suddenness.

7. Too many issues—the movement jumped in various directions, like a nest of grasshoppers.

8. Delay. It is impossible to hold a revolutionary pose. The workers grow bored. The issues change. Revolution must gallop like a motion picture. England had no Griffiths to unroll it—there is no big boss of British labor.

Having come so far, labor was unprepared to go further. The trade-union leaders after the War found themselves in new conditions where they had no guiding experience. So (with a half-dozen exceptions) they failed to give leadership.

Labor is unready, because it believes itself unready. It has revealed this inner weakness by the feebleness of its Parliamentary opposition. With its sixty-two members it could have made a fighting block in Commons, like the old Irish group under Parnell. It could flay and finally slay the present Government, which is unpopular, inaccurate, mendacious, and without a policy. Instead, the labor group has been tame, humble-minded, without ideas, leadership, or militancy.

Labor showed its unreadiness in failing to follow the shop stewards. The rank and file fell away from the workshop movement.

Labor failed in influencing to any large degree the terms of the Peace Treaty. Had it been united and determined, it could have forced Versailles to save Europe instead of wrecking it. It is convenient to blame Lloyd George or Wilson, but the real failure was the lack of international consciousness among the workers. Their internationalism is mainly a matter of friendly feelings. They rarely summon their pressure to effect a change of Government policy. They

love abstract principles and ethical sentiments. They love a leader who can talk in terms of the moral world. In fact, the labor movement internationally is far from united. More exactly, it is indifferent. Roused momentarily to international consciousness by Mr. Wilson's arrival, it would have rallied round him if he had conducted open diplomacy at the conference. But with the case leaking away day by day, it felt let down, shrugged its shoulders, and turned to domestic concerns. A powerful minority section agitated against Russian intervention. But the main body of labor is weary of Europe.

Labor, lacking the conviction of its mission to set up the new order at once, nevertheless reacted with determined and victorious power when its industrial gains were assailed. The wage scales of the War have been held, while hours have been shortened.[1] In the more important industries the average increase in rates of wages (including war bonuses) made since the outbreak of war, lies between 100 and 120 per cent. Examples range from less than 60 to over 150 per cent.

If labor's year of peace failed to realize the crisp defiance and brave synthetic program of the Sidney Webb manifesto (*Labor and the New Social Order*), the Government made as poor a score. Mr. Lloyd George summed up his peace program and policy in a letter sent in July, 1919, to a coalition candidate. He itemized the establishment of a Ministry of Health, the Housing measure, the Ways and Communication Bill, Land Acquisition, and Land Settlement. The best comment on this is that of Mr. Clynes. He said:—

> After ten months of a most powerful Parliament under a most powerful Prime Minister, nothing has been done in reconstruction. But you cannot live on schemes, and the people are tired of waiting for the land of promise. The work should have been begun in the spring and summer. Never was a Government such a failure. The hope of the future is the new-found power of

[1] The hours in the principal industries are now generally 44 to 48, compared with 48 to 60 previously. Weekly time wages are generally not reduced. No movement previously recorded has equalled this "shorter week" of 1919.

labor properly used. The only solution is the plan of the Labor Party—a levy on the capital of the country or a tax upon the accumulated fortunes and profits made during the war.

Or to give the figures:

Twelve months after the armistice, a few hundred soldiers had been placed on the land.

Instead of the 200,000 houses, or the 500,000, or the million, 300 houses had been built at the end of fourteen months of peace.

But the Government is like a tired man who takes on additional jobs, just because his judgment is blurred and his nerves are strained by fatigue. In its moment of prostration, the present Government is extending its powers. Throughout this year of exhaustion, it has indulged in side-shows and semi-wars and adventurous expeditions in several parts of the globe. As the Ministry of Reconstruction (Pamphlet 37) described it:

> The process of self-determination of nations, we are told, will initiate a new order of things, but is it to be believed that the regions mentioned above[1] are yet in a fit state to govern themselves? A few British officers and men on the spot will be a very salutary help in the settlement to come.

Over an area, vast before, and now increased, an area seething with unrest, England, tired at the core, is trying to send out currents of energy and control. But the dynamo is spent, and the wires, that used to be charged with power, hardly quiver from the feeble currents of the center.

Apart from a few lonely voices, labor is silent on this hereditary instinctive policy of the Foreign Office and the War Office. Labor is silent because it is ignorant of international policy. It has grown up in the trust of these statesmen of unblemished honor, who never boast, never explain. This will be the last group to be doubted.

[1] Armenia, Mesopotamia, Egypt, India, East Africa.

The Universal Strike

The lesson of England is not a new device for a factory. It is a change of consciousness toward industry. The instincts of the workers have revolted against competitive acquisitive organization. They refuse to work the system. It therefore slowly crumbles. The institutions, registering this change, will be gradually created.

Dean Inge says: "The life of the town artisan who works in a factory is a life to which the human organism has not adapted itself." The deracinated life of the human herd in modern towns is the condition and the instrument of large-scale industry. A speeded-up machine production, whose products do not bring a good life to those producing them, carries the germ of its own decay. "A barbaric civilization, built on blind impulse and ambition, should fear to awaken a deeper detestation than could ever be aroused by those more beautiful tyrannies, chivalrous or religious, against which past revolutions have been directed."[1]

Human nature in industry has gone on strike. The decayed autocracy of financiers and business men cannot be restored by "profit-sharing" and "copartnership." The revolt is not against details. It is against the purpose, products, methods, and conditions of industry. The workers do not want the "wants" that fill modern life, the splatter of the shops. Sections of them have proved this by knocking off work for a day (or even two days) a week, when they attain a moderate standard of living—the level which Professor Zimmern defined to me as one of "reasonable satisfaction."

Something in the industrial system offended the soul of the worker. He resented the forced draught that played on his working day. He saw "an immense accumulation of the apparatus of life, without any corresponding elevation in moral standards," creating a civilization of "technical efficiency without love."

There came a moment when Napoleon's soldiers tired of the grandiose and expanding campaigns of conquest. The motives that had driven them wore thin. So it is with the workers. The familiar compulsions no longer avail, the industrial organization crumbles, and the mines and railways and factories become a

[1] Santayana.

wasting asset. Militant strikes can be crushed by tanks and machine guns. But against the passive resistance of the human spirit in the millions of workers the owners make war in vain. It is a process of nature, a molecular change, invisible and universal. This life-force can be re-enlisted only on its own terms.[1]

The tendency will (very slowly) be to make Britain more self-contained. The rush of exports for overseas markets will gradually be lessened. The worker will have his garden, and supplement his living from factory work with his home-grown products. This will not mean a return to a pastoral society nor to handicrafts, but it will mean a better balance struck between industry and agriculture. It means a production of necessary things—perhaps a larger production than now—but the disappearance of costly luxuries. As the head of a woman's wholesale dressmaking firm said to me: "We no longer sell the $80 dress. But we sell half-a-dozen $30 dresses, where we sold one before the war."

The experiment is an act of faith, like the French Revolution and the creation of the American republic.

The present acute sag in productivity is not to be confused with the long descending curve described above. As the immediate result of the war the will to work has been disastrously weakened. This is due to disillusionment, fatigue, the bad habits of military life. People wish to spend money. They wish an escape from the drab of khaki, the monotony of trench service. They turn to color, light, sexual license—to the primitive desires of the savage. All the thwarted instincts have been uncovered and walk through society, naked and unashamed.

But this riot of barbaric impulse will not be long continued. Wealth has been destroyed. It must be restored. The spiritual reserves have been exhausted. Time will bring fresh supplies. There is at present no vitality for reconstruction, for anything beyond the momentary sensation. Slowly society will re-establish its old controls.

But after the recovery from the present highly abnormal inertia and recklessness, the same slow crumble, visible since the beginning of the century, will continue. Irresponsible capitalism will

[1] A 25 per cent of control will be offered at first as in the railways. The changes will be made in digestible instalments. There will be no Day of Judgment—only nibbling encroachments.

break down in the key industries one by one. These will pass over into the control of the workers, as the mines and the railways are now passing.

And yet, after listing the limitations of the people, one can only wonder at the speed with which they are recovering from the War.

A year that began with a million unemployed ended with only half a million. And that was the year of demobilization.

The Government is bankrupt, but England is not bankrupt.

Inertia and irritability are widespread, but calmness and common sense are returning.

British Traits

The central fact about Britain is the immense sanity of her people. That sanity is compounded of a rich though deeply hidden sense of humor, which saves the possessor from fanaticism and from pushing human affairs to a logical conclusion—of an instinct for political compromise, which carries the mass along in a natural unity (made up of apparently repellent particles) and of a revolutionary mind, which frees itself from old cramping institutions, and drives on to fresh experiment.

Their compromise is not the acceptance of the *status quo*. It is the registration of a new point touched in passing: it is a momentary arrest in the process of becoming. There is a centripetal force in the mass itself—a sense of the center and a will to cohere—which holds its particles together, while it moves on. So the "center" of a movement, like the labor movement, is a shifting standard, a standard borne on by the flood of change.

Their revolutionary mind does not dabble in bloodshed. The British do not wish the spectacle of people whipped into feverish excitement, and mowed down by machine guns. That sort of herd instinct they believe is as blind and brutal

as the mob frenzy that drives men into lynching and war. They think that the social revolution means a profound change in consciousness, the product of a long teaching, the goal made clear, and the way to reach it shown. So the new order comes, because there is a change in the thinking of multitudes till the old order falls like ripe fruit. British workers do not follow cheap "revolutionaries," with a thirst for experience, an impatience of long, hard work, lovers of excitement, building a bonfire to attract attention. They distrust violent-minded men, because the violence is short-winded and likely to attach itself to a number of things in turn. They believe that violence is often the product of buried but undigested emotion, not about a cause or principle, but about some unsolved personal inner conflict. They believe that "nothing that is violent endures."

Since the immediate need of the next two years is production of goods in exchange for essential imports, and of goods to replace the vast waste of war (houses, rolling-stock, machinery), I do not see the British forcing an artificial economic crisis in order to build a bran-new society out of a total wreck. On the one hand, the workers will demand unceasingly the acceptance of the new principles of nationalization and workers' control. On the other hand, the workers will grant time for the application of these principles in their multiple patiently devised details. To remold institutions to the needs of to-morrow, to shape aspirations into a policy, requires fundamental brain work which as yet is lacking. Impartial men, such as Justice Sankey and Sir Richard Redmayne, have condemned the old order as Lincoln condemned slavery. It remains for the Government to seal the condemnation and begin building. If the principles are not accepted, the workers now have it in their power to destroy the present economic system. But they prefer the step-by-step method, which means progressive organic change. This means the installation of the Socialist State, with workers' control, not by armed insurrection or sudden syndicalist paralysis, but by votes and trade-union pressure, applied over a period of "five,

ten, fifteen years" (in Mr. Smillie's phrase) or "ten, fifteen, twenty years" (in the phrase of Mr. Hodges).

Britain's business men, her governing group, will have to accept the new position of labor in society, because they can do nothing else. Only as equals in a progressively Socialistic State will labor pull full stroke. As long as labor lags, and strikes, and sulks, expenditure outpaces production, and capital evaporates. Bankruptcy is the only outcome of the present process which is wasting away what was once a living organism.

"We'll give them anything, if only they will work," I heard a noble earl, who is a great employer, say. "We'll agree, because we have to."

There will be no bloodshed in effecting this change, only a creeping paralysis until the clamant demands for equality are granted and enacted. But this crumble and fresh cohesion will not be sudden.

Extremists of the Socialist Labor Party, and one or two of the Guildsmen prophesy a logical and dramatic disintegration in the next two years. But I think that their diagnosis is over-simplified, and lacks recognition of the international economic position. There is more elasticity to the capitalistic system than they think. We are in the slump which has followed every modern war, and which registers itself in the maladjustment of demobilization and in a psychological state of bitterness and unwillingness to work. These phenomena are familiar to every country that has conducted a large-scale war. They are only new to the experience of England, and have resulted in stimulating the prophetic gifts of her brilliant young men.

Will the worker continue to practice ca' canny? He will not, because he cannot. The economic position is such that fear and hunger will operate once again as they used to operate. The financial condition of Britain will be presented to the workers by men like Lloyd George, playing on the nationalistic nerve. The worker is facing poverty under any system, and poverty worse than any known in recent years. The

dramatic contest of workers and owners will be undercut by primary poverty for the whole nation.

England is delicately balanced in a system of international credits, of which America holds the purse. America can manipulate food, raw materials, and credits. She has already captured many of the South American markets, and will seek to capture those of Central Europe. Unconsciously certain of her governing group would see England reduced to a minor outpost of the race. But they do not wish to let England be ruined—merely to be weakened to the second rank. Now this international economic process will divert labor from any of the moving-picture performances which various groups are prophesying.

The present maladjustment, then, which is in part the result of tired nerves, will soon be followed by a period of productivity—replenishing of rolling-stock, houses, machinery. This will still be financed on paper money.

Then comes the third period, that of paying for the War. The poverty then will not come as the result of a crash, but will slowly creep in. Wages will remain high, but prices will climb. Many young men will emigrate. In that third long period will come labor's chance.

Already the first period of demobilization and maladjustment is merging into the second period of employment and production. In the first half of the year 1919, a few of the intellectuals in the trade-union movement were trying to speed up the workers to the creation of an artificial crisis, which would have found the workers unready, and so would have weakened their movement. There was a brief period when it looked possible to engineer a crash. The results would have been poverty and subjection. The time has not come for the final trial of strength between workers and owners.

The Intellectuals

The intellectuals in the trade-union movement are not numerous, but they are busy workers. So close is the harmony

in which they and the industrialists sing that it is difficult to tell which portion of a manifesto in time of crisis is written by an impassioned labor leader locked in combat with the grim giants of capitalism, and which is the insidious philosophy of a cool young social scientist from the serene close of Oxford or Glasgow. I have been moved by the pure proletarian accent of a broadside from a transport worker only to find that it had been germinated and polished off in the laboratory of a university thinker. I once asked a machinist shop steward whether his well-known idea of the State was the result of contact with a famous young university writer.

"I'm converting him," he replied.

And I asked the essayist how the matter stood.

"I'm converting him," he answered.

That is how close it is. It is an interwoven movement. Both groups are enjoying the experience. The scholars revel in the tough-minded reality of being at last a part of something with mass and motion. And the workers are pleased to find themselves provided with a vocabulary and a philosophy.

To take one group of intellectuals, the Guildsmen, who have powerfully affected the thinking of trade-union members. In the last five years, the Guildsmen have done a service akin to that done by Blatchford for a former generation. They don't write as simply nor as vigorously as Blatchford did in "Merrie England," but they, like him, are evangelists. They have carried on excellent Salvation Army work in popularizing the idea of a British brand of syndicalism. They have domesticated that immense dynamic. But for them, the Central Labor College, the Socialist Labor Party, the I.W.W., French ideas, the phrases of Tom Mann, and the tracts of Daniel De Leon would have perhaps been the only deposit of syndicalism and industrial unionism. The result would have been a small minority of workers over-stimulated with a doctrine that omitted one-half the truth. But Orage, Cole, Mellor, Hobson, Bechhofer, Reckitt, and a few others rendered the alien vocabulary into a British blend which pleased the palate like Lipton's tea.

This earnest, tiny group (a few hundred in all the Kingdom) appear in various service uniforms and play many parts. As university graduates, they are at the heart of the University Socialist Federation. As Christians, they are Church Socialists, sapping the Established Church. As Guildsmen, they conduct a league, honeycombing the trade unions. As investigators, they are the Labor Research Department, affiliated to important members of the trade-union movement. As Fabians, they buffet Sidney Webb. As journalists, they have entry to powerful newspapers and weeklies. As writers, their books[1] are in some instances irreplaceable because of the careful collection of facts and the understanding of currents of tendency. But their great service has been that of agitators with a smashing generalization. Perhaps no group of young, ardent men with a message ever had a more fortunate fate.

Workers' Control

Having done their job manfully, their function is ending. What is wanted now is no longer agitation, but education. What is wanted is training for the workers in self-government. Fact studies are needed, and lines of functional development suggested. The apocalyptical vision must now be turned upon some pit or workshop, and show just where the worker can take hold, and begin his career of control. I attended both sessions of the Coal Commission hoping to get something more than Wilsonian abstractions, but came out by that same door wherein I went.[2]

No bridge is being built between their Day of Judgment—which is to come within a year or two "when the capitalistic system crumbles"—and the day of workers' control. The system of workers' control presupposes four things: that

1. The workers wish control.

[1] Such are *An Introduction to Trade Unionism, Self-Government in Industry, The Payment of Wages.*

[2] See the evidence of G. D. H. Cole, Appendix, Section 3, Chapter III.

2. The workers are capable of control.

3. The technical, managerial, and directive men will co-operate.[1]

[1] The organ of the railwaymen, *The Railway Review,* on August 15, 1919:

"Those engaged in an industry simply are those persons essential to the industry, from the new boy or girl to the general manager. The boards of directors we will leave out of the account, as, although they have been and perhaps now are essential, with the change of ownership of railways they will become obsolete, even as the shareholders who elect them and for whom they act will become obsolete.

"The hard fact that must be realized is that under any form of ownership the assistance of the managerial classes in controlling industry is not merely desirable, but necessary.

"In conversation with the manager of a manufacturing firm recently, which owned a branch in Moscow, we asked him what was his outlook there? 'We are doing very well there,' was the reply; 'they cleared us out when the Bolsheviks came in, but in six weeks they sent for us back to manage the place, the workmen could not run it by themselves.' The moral is almost too obvious to dilate. There were things in the control of industry of which the machine minder had no conception until he faced them, and failed. The 'dictatorship of the proletariat' failed in practice because the 'rank and file' failed to recognize that the management was an essential part of the scheme of production. *We have to win, not to destroy, the managerial classes.*

"So far as we are concerned in the railway industry, control by those in the industry will follow a line of evolution perhaps almost as unconsciously as the principle of 'recognition' came into being. Recognition came with industrial power, and there is no definite date upon which we could have said to have achieved recognition.

"Control is the evolutionary period following upon recognition, and it can be said that in recognition there is the embryo of control. Recently the Executive Committee of the National Union of Railwaymen decided that certain regulations with respect to men on certain railways required readjustment, and notified the desire of the men for rectification. The desires of the men operating through the Executive of the Union were fulfilled, and in these recent examples we have concrete evidence of the beginning of some measure of control by those at the bottom.

"There can be no fixed definition in the meaning of control. Evolution impelled by the aggregate desire of those who share in the

4. The consumer will acquiesce.

I suggest that those four things are not obtainable within one or two years, but are five to twenty-five years distant.[1]

Mr. Cole's inability to produce facts in substantiation of his statement on workers' control[2] (his evidence on the Derbyshire pit committees), was clearly a disappointment to Mr. Justice Sankey, and forced him to turn to the public administrator solution of Lord Haldane,[3] rather than to a formulation of workers' control. Mr. Justice Sankey incorporated the suggestions of Lord Haldane because he was in easy mastery of his facts and because he dealt at length with the problem of motive in industry. Sankey was forced to reject the suggestions of the Guild witness, because, promising facts, he gave none, and generalizing on "aspiration," and "inspiration," he did not reveal knowledge of instincts in industry. It is conceivable that a well-grounded statement of workers' control might have won for the miners a recognition that will now be delayed through a transition period of several years.

Mr. Harold Laski reminds us that the French groups in administration have not laid down dicta "whether, for example, promotion would be self-regulating, or a matter of internal choice, or of election by the members of the particular service."

But Justice Sankey had to consider these very questions in determining the constitution of the coal industry. And the evidence and the Sankey Report show that Lord Haldane and Sidney Webb and the London School of Economics had

labor of production must work its course, and in due order of patience and time our object in spirit will be achieved in fact. The consciousness of our aim must be the guiding line."

[1] I refer to the full program. The first steps have been taken. Increasing control is demanded by the rank and file. But what the percentage of control will finally be no one knows.

[2] Appendix III, Chapter III.

[3] Appendix V, Chapter III.

at least one sort of answer, which had a basis of facts in collected experience but that the Guild Socialists had failed to establish their case in the mind of the Judge.

Bureaucratic control by the Government is not acceptable to Labor.

Control by manual labor is impossible except by long general education and special training.

Control under a new type of State Administrator is the Sankey solution. This will be acceptable to the miners in the transition period (see Mr. Hodges' chapter).

Justice Sankey reports (see Appendix IV, Chapter I):

"The war has demonstrated the potentiality of the existence of a new class of men who are just as keen to serve the State as they are to serve a private employer and who have been shown to possess the qualities of courage in taking initiative necessary for the running of our industry."

Professor Alfred Marshall says in *Industry and Trade*:

"Unless Guild organization develops some notion, of which it at present seems to have made no forecast, it may probably drift into chaos, from which relief can be found only in a military despotism. In this matter (discipline), as in some others, Mr. Cole seems to follow closely in the paths of St. Simon, Fourier, and other early socialists of noble character and vivid poetic imagination. The last new version of the Golden Age is to bring out latent powers of goodness in human nature; the task of regulation is to be as simple as it would be if all men were as unselfish and earnest as the writer himself: the vast difficulties of modern business organization are so completely left out of account as to imply that they have never been seriously studied."

But Professor Marshall also states:

"The State can now look to the main body of workers as the source of much of that higher administrative work, which used to belong almost exclusively to the well-to-do. This change was emphasized by the Whitley Report, and it will be promoted by Joint Industrial Councils; though their efforts may not reach far

towards a wide dissemination of the supreme tasks of conceiving new ventures, weighing their promises and their risks, and making a wise selection."

On this point of "upper control," Justice Sankey in his Final Report states:

> It is true that in the minds of many men there is a fear that State ownership may stifle incentive, but to-day we are faced in the coal fields with increasing industrial unrest and a constant strife between modern labor and modern capital.
>
> I think that the danger to be apprehended from the certainty of the continuance of this strife in the coal-mining industry outweighs the danger arising from the problematical fear of the risk of the loss of incentive.

As recently as 1916, acting in the capacity of president and chairman, Harry Gosling was telling the Trades Union Congress that workers' control did not include commercial control.

The offer of the British Government to the railwaymen gives through a Conciliation and Arbitration Committee equal power to labor with that of management on questions inside the area covered by collective bargaining. But the problem is *what percentage of Commercial Control* has now come under Collective negotiation. The Government offer is that of a 25 per cent representation on an Advisory Committee to the Minister of Mines—4 members out of 16. The railway executives possess the other 75 per cent. How much control would such an Advisory Committee possess? The answer would probably be the same amount as the War Cabinet had in relation to the Premier. That amount is a variable. On many matters it is full control. On some, no control. This 25 per cent of control represents a minimum first offer.

Manual labor (which itself is a composite of skilled, semi-skilled, and unskilled) is only one functional group in the community composed of many functional groups. The financier, the administrator, the technical man, the engineer, the salesman, the manager make six other groups. Much

recent discussion of workers' control has burked the problem of co-ordinating these various highly self-conscious groups inside self-government. It was not difficult to formulate the demands of the workers in former generations, because the instinctive reactions were simple to read. More money and less work—that was as easy to hit right as to know what a drowning man wants.

But when we enter the region of progressive self-government, the devolution of power to associated groups, we pass over from the psychology of the servile, suffering, rebellious, but collectively unified consciousness of a mass to the various reactions of those groups. We shall have "a revolt of the technician, the electrician, the chemist, the artist, the designer, the manager. We, too, want to have self-determination; we want to have control over our working life. The function of the draughtsman is to draw plans; he will draw plans as he likes, and will not be tyrannized over by the manual workers for whom he is drawing plans."

Will the manual worker command in his own sphere, but be in a position of obedience for those functions outside his sphere? Capitalism has given a measure of freedom to the expert.

Mr. Frank Hodges, speaking for the miners, accepts for these next years a minority control by the manual worker under nationalization. He looks to the day when the workers shall have won over the managerial and technical men. "When we make provision for them to come in, we shall be jointly in a position to nominate ourselves the personnel of the national council. They would be the persons to determine the annual output of coal, to determine the price of coal. They would also deal with the finance of the industry. It is contemplated that the finances shall be determined by the national mining council as distinct from the Exchequer."

This process "will take time—ten, fifteen, twenty years," he says.

It is the conscious and influential minority of labor who press for "effective" workers' control. The majority are

inert. Social workers in Sheffield have published an investigation into "The Equipment of the Workers." They found three-quarters of the manual workers whom they studied to be either imperfectly equipped or mal-equipped. This ignorance registers itself in indifference to extensions of democracy. The trade unions are controlled by a minority. Branch meeting are poorly attended. Votes on vital industrial questions are generally minority votes. On a vote on the 47-hour week, 64,000 out of 300,000 voted (21%) in the Amalgamated Society of Engineers.

The experience of the Wool and Cotton War Boards does not suggest that the workers are awake to an opportunity of control when it is offered, nor that they are ready to use their power to make that opportunity permanent. It would be profitable to supplement the large paper programs of control with a fact study of how far actual control has proceeded, and what functions the workers are now willing and ready to take over. The Guildsmen gave me two instances —one of a young idealist in Leeds, whose first experiment failed, and whose present experiment is so tiny as to indicate little but good will. The other instance was that of a large firm which forthwith failed. Going concerns like "Hans Renold's" have reported that they wish their shop stewards to take over more control. Mr. C. G. Renold instances the matter of discipline, where the shop stewards requested him to carry on and not give them the unpleasant job.

The path into workers' control is a thick tangle.[1] The only thing clear is that the workers wish more control. Some say

[1] This is the British way: to push on into the jungle without a map or a compass, but with an instinct for direction. They write good history of their journeying, a generation or a century later, but they keep no chronicle of the day as it falls. They chop away at the facts till vast heaps lie along their path. They attempt no collection, no classification, no analysis, no synthesis, till they near the end of what would have been an easier journey, if they had used a scientific imagination. But no one else had ever made the journey, nor would have made it but for the track they blasted.

(the syndicalists) they want complete control. But how much of the ache would be alleviated by good living and working conditions, no man knows. Their suffering is clear to them. But the thing they suffer from and the remedy are not clear. It was only ninety years ago that the workers felt that the vote would represent the sum of their desires. The miner, railwayman, machinist, reacts to his job. He feels himself thwarted at certain points of the industrial process. He longs to reach out and clear up the mess of routine and red tape and mismanagement in which he finds his will to work tangled. He talks over his disgusts and aspirations at the branch or the public house. He meets other minds battling like his. In one way or another, that experience of his is passed on and intensified as it speaks to the experience of a dozen, a hundred, a thousand others. That complex of impressions, thwartings, and desires, warm and human, is waiting to be sharpened and shaped into orderly thought and then into a program of action. He is told he is throbbing because of British troops in Egypt. He wonders. But when his wages are reduced, he does not need to be told that a live nerve has been touched. Which functions of workers' control as yet touch that live nerve?

Need of Psychology

The young intellectuals of Britain who show interest in labor are singularly unaware of the nature of this material under examination. The great instinctive movement of the workers is pushing on. Theirs not to reason why. But it is emphatically the business of students of the labor movement to use the apparatus and technique which have been laid down by men like Graham Wallas. They are telling the workers what the workers want, without themselves possessing an equipment in the data of modern psychology. They write rationalistic paragraphs about "service" and "motives" and "economic forces," without at all realizing that there are instincts in industry which break those Victorian Oxford

ideas into fine splinters. There is much patient work to be done in the psychology of the skilled worker, the unskilled, the casual, the technician, the manager, before they can be at all jammed into facilely devised categories and marshaled, like two sets of chessmen, into neat opposing forces, to be moved by the Capablanca of the intellectuals.

One of the distinguished English economists, himself a Guildsman, writes me:

I have thought over your criticisms, and on the whole I agree with them as to the method, though I am not sure they very much affect the substance of the Guildsmen's conclusions. My only criticism on Graham Wallas's work (which I admire) is that it is sometimes a rearrangement under new categories of matter which is already familiar, and which, when rearranged, does not suggest very different conclusions. Granted that man is not "rational," what is the practical application thereof? Presumably that he should be as rational as he can. No doubt political terms are likely to be strained when transferred to the sphere of economics, *e.g.*, "self-government" in industry. But is it necessary to prove the psychological malaise which arises when men are unable to exercise any effective control over their social environment? Is it not legitimate to assume it, and to argue on that hypothesis?

I believe it is necessary to have a correct diagnosis before applying the remedy. Otherwise, like ancient doctors, we may bleed the patient white.

Another Guildsman has published the following, entitled *Graham Wallas on Democracy—the Fabianism of 1895:*

Wallas has a sort of low-voiced Nonconformist sincerity about him, which is only slightly spoiled by a tendency to occasional bawling. There is a curious impartiality about his utterance, an almost imbecile absence of preference, which exalts him or degrades him according to the mood of the listener. . . . It can readily be discerned from what has been given above that, in spite of a knowledge of social psychology and an array of modern instances, Graham Wallas is still the enlightened "Dreyfusard."

In the Socratic dialogue of the *New Republic* (May 31, 1919), Walter Lippmann says:

> I am inclined to believe that an effective social science is impossible which does not seek the hidden motives behind overt acts.

And Harold Laski responds:

> We start with a complex of impulses—all of them strivings for the realization of personality. We find that a state such as our own can satisfy the strivings of relatively few of its members. I am anxious to record my sense that the political scientists are never going seriously to grapple with their problems until (like Walter Lippmann and Graham Wallas) they realize the bearing of psychological discovery.

The limitations of the group of Guildsmen (with notable exceptions, including J. Paton and Frank Hodges) are an ignorance of the facts concerning workers' control, and an unawareness of the need for a psychological approach to the material under investigation. Their brilliant and incomparable pioneering now needs to be supplemented by the massive and minute work of men like Sidney Webb, in one field, and of Graham Wallas and Harold Laski, Lord Haldane and Mr. Justice Sankey, in other fields.

They have not thought through on the problem of management (technical, commercial, and executive).

Is the managerial group to be supplied from the ranks of labor?

Is the present managerial group to be taken over by labor and employed as a high-salaried class under labor control, as now it is the servant of the capitalistic class?

Is the present managerial group to become a part of the labor movement? If so, will it be merged, or remain a distinct group?

If a distinct group, will it have power in relation to its numerical strength, or in relation to its functional value?

Schemes and bills for workers' control must as yet include

special representation for the technical and directive group—along some such line as the Plumb plan. Otherwise the job of "persuading" the managers will be as millennial as that of Christianizing the capitalist. The engineering draughtsmen, a few colliery managers, bank clerks, and the like, who have been converted to a world fit for producers, are not a sufficient answer to this problem of how to carry the managerial group over into self-government.

The consumer must be safeguarded and so convinced. The way has not been shown.

Shaw says, "Without qualified rulers a Socialist State is impossible."

As usual, Webb has long been tackling this not by talking, but by training administrators. Evidence on this, given by Lord Haldane, will be found in the Appendix in *New Class of Government Servant.*

The only detailed study of workers' control in Britain has been made by an American, Mr. Carter Goodrich, under the title of *The Frontier of Control.* His book is indispensable for one who would know the area of control (much of it negative, the control of restrictions and veto, and legislative minima) which has already been obtained by the workers, and the direction in which they are pushing their frontier into new territory. His sharp analysis breaks up "discipline and management" into their fact-content, and their psychological hinterland. Mr. Goodrich's study is only a beginning. The whole region of instincts in industry—in simple language, what the workers want—remains to be plumbed and explored. But his investigation shows what is needed.

In dealing with a matter like workers' control, or nationalization, or a forty-eight-hour week, the British way is to let trouble heap up through several years, denying there is any trouble, till it bursts into a crisis. Then a scratch committee of experts is appointed, who work at breack-neck speed, pool their opinions, and produce a report of recommendations on what to do to be saved. This is drafted as a Parliamentary Bill, and becomes an act, a law. By this good-natured optimis-

tic postponing way of theirs, the British are able to enjoy life as a series of emergencies which sometimes approach disaster. But the actual legislation is often the result of long stealthy patient propaganda. Ideas blow up and down the countryside, like seeds on the wind, and at last find lodgment in the collective mind. After many years they result in legislation. A law once passed cannot be killed. It takes root and becomes an institution, altering society.

The tendency in British society has long been to idle at the top and to pauperize at the bottom. Institutions have strengthened this tendency, because legislation has favored it. A large section of the upper and middle class are small owners (rentiers) and take life gently. Slackness has seeped into the fiber of the race. In their attitude toward work, many Britons —in all classes—have a faint scorn. The customer is at the mercy of the shopowner or clerk, who continues whatever he is amusing himself with, in order to teach the customer his place. That the consumer has the right to call the tune for the producer, is a truth not widely known in Britain. Work, being scorned, has been poorly paid. Out of black poverty have sprung the ills that now weight England down. Instead of rewarding work with a living wage, she has let some of her workers sink into misery, and then she has slapped plasters on the running sore. Increasingly, England has been using State doles and palliatives, and she has somewhat rotted the sturdy English nature. She has built her philosophy of social reform out of the statistics of misery.

The Year

This staleness has misled her enemies into believing that recovery and renewal were not for her. Each generation they have thought they saw her stumbling to ruin. But in her heavy-hooved lumbering way she takes the seven-barred gate.[1]

[1] Maurice Hewlett wrote in *The Daily News* of October 15, 1919: "The other day the village was celebrating the birthday of its La-

To sum up the year in simple sentences:

The reconstructive program of the Government is still a paper scheme.

Labor has taken only its first step (wages and hours) toward a new society.

borers' Union in a manner which used to be reserved for the coming of age of the Squire's son.

"It was sober merry-making after our manner, yet one could feel the undercurrent of a triumph not difficult to understand. Not a man there but knew, or had heard his father tell, of how things used to be. Ten years ago those men were earning sixteen shillings a week for twelve hours a day; fifteen years ago they were earning twelve shillings; thirty years ago they were earning nine shillings; a hundred years ago they were on the rates, herded about in conscript gangs under the hectorings of an overseer. Now—and it has seemed to come all in a moment—the humblest of them earn their 36s. 6d.; the head men their 40s.; their hours are down to fifty-four for the week, with a half-holiday on Saturday; delegates of their kind sit at a board in Trowbridge face to face and of equal worth with delegates of their employers. All matters affecting their status, housing, terms of employment, can be brought before the board; and beside that, and behind it, like a buttress, there is a Union, whose name recalls that other grim fortress to which alone in times bygone they had to look when old age was upon them. This new union has been in existence here little more than a twelvemonth, but they know now that it has spread all over England.

"They know more than that. They know that this plexus of organizations is not only social, but political; they feel that the estate of the realm which they stand for may soon become, and must before long become, the predominant estate. They feel the rising tide already lifting them off their feet. The elders are sobered by the flood; but the young ones taste the salt water sprayed off the crest of the wave, and look at each other, laugh and cheer. If they rejoice they have good reason, knowing what they know; and if I rejoice with them, I think that I have good reason too. This time three years ago I sang at length of Hodge and his plow; and looking back and forth over his blood-stained, sweat-stained, and tear-stained history, I seemed to see what was coming to him as the crown of his thousand years of toil.

"The peasant now has his foot on the degrees of the throne, and has only to step up, he and his mates of the mine, the forge, the foundry, and the railroad—to step up and lay hand to the orb and scepter."

The emergence from the most costly, the most murderous war in human history has been made in good order. Britain has weathered a year of weariness, bitterness, disillusion, with surprising success.

Such an achievement promises that the vast economic changes of the next ten years will be made in British fashion by conciliation, compromise, and constitutional methods. Only wildness and folly from the Government, employers, owners, and the middle class can now turn the workers from their program of orderly conquest of power.

Little can be done in education for another year till the reports of local boards are sent in. The dearth of teachers will be felt for long. It will require several years to reap results from the Fisher Education Act.

The Sankey report for nationalization of the coal mines has been rejected by the Government. But no settlement will be reached till the mines are nationalized.

The Government failed in its attempt to lower the wages of the railwaymen. And now it has offered the railwaymen the largest instalment of workers' control ever officially proposed for a key industry, including seats on the commercial directorate.[1]

The nearer labor approaches its day of power, the more does it slow up and develop responsibility, and the fainter grow the voices of extremists. I think no intelligent person fears excesses from labor. "I fear timidity and lack of imagination on the part of labor," said a University Liberal to me. The leaders of labor are constitutionalists, who desire neither bloodshed nor paralysis. They wish a steady next-step progress to the Socialist State, with workers' control. Those leaders are Smillie, Hodges, Clynes, Henderson, Thomas, Gosling.

It has been a year in which labor has been weak politically and strong industrially, though in a manner jerky and sectional. Labor is weak politically and yet so steady is the drift

[1] See Appendix IV, Chapter II.

toward workers' control that at the end of the year in municipal elections, labor won thirteen out of the twenty-eight London boroughs, and captured the Mayoralty in sixteen more cities and boroughs of Britain.

Three classes remain to be heard from when the echoes of this year cease rolling:

1. The returned soldiers.
2. The young men, such of them as are left after a world war.
3. The women.

One of the great thinkers of England has said, "I believe that our industrial system is dying. . . . It may be that the industrial revolution was a biological mistake, that the human organism is not adapted to that kind of life." In any case, the workers are determined to control that industrial system and to attack the "irremediable joylessness of human condition."

APPENDIX

SECTION ONE

THE EMPLOYERS

CHAPTER I

FEDERATION OF BRITISH INDUSTRIES.[1]—THE CONTROL OF INDUSTRY.—REPORT OF THE NATIONALIZATION COMMITTEE

INTRODUCTION

BEFORE we attempt to deal with the important issues which will be discussed in this Report, we desire to set out a few facts regarding the conditions under which the industry of the world is at present carried on.

Development of the Industrial System

At the present time the capitalist system is the basis of the whole of the productive enterprise of the civilized world.

At the beginning of the 19th century the population of England and Wales did not much exceed 8 millions, and its standard of living was low. By the end of the century the population was nearly quadrupled, having reached a very much greater number than can possibly be supported from the internal resources of the country, and yet the standard of living of all classes of the community had been considerably raised. The great increase of production which made this possible was entirely achieved under the capitalist system.

Production cannot take place except through the previous accumulation of wealth by the efforts and savings of individuals, and the capitalist system has provided the best machinery hitherto discovered for enabling and encouraging the individual to accumulate wealth and devote it to production.

It has preserved the fluidity which is needed to insure progress and to encourage the re-adaptation continually necessitated by changing conditions and new inventions and discoveries, while

[1] The Federation represents 16,000 firms and nearly five thousand million pounds of capital.

providing unequaled means of encouraging those engaged in production to ascertain and fulfil the requirements of the individual consumer.

The needs of a civilized population are so varied and its demands change so rapidly that a considerable risk is involved in all productive undertakings.

The capitalist system has offered the maximum inducement to every citizen to take part in the great adventure of productive enterprise, which has maintained the world and made civilization possible. At the same time the risk of personal loss involved has tended to restrain reckless and uneconomical production.

The above considerations apply with redoubled force to the export trade, in which the risks are greater and the requirements of the consumer more varied and more difficult to ascertain than in the home trade. The population of this country could not have existed and cannot continue to exist without a large export of manufactured goods to pay for the raw materials and foodstuffs which must be imported for its subsistence. The capitalist system has afforded ideal means for developing our Export Trade.

Growth of Competition

In many cases the rapid increase of production led to the growth of an intense competition, involving destructive undercutting of prices and unnecessary duplication of activity and plant.

The elasticity of the capitalist system enabled it to adapt itself automatically to the changing conditions, by the development of large industrial combinations, thus decreasing unnecessary and wasteful competition, and securing to the world the economies of large-scale production.

Development of Combinations

This development is a normal and necessary feature of the industrial evolution consequent upon the use of power-driven machinery. Moreover we believe that the development has been of definite benefit to the consumer by standardizing and steadying production and reducing costs.

The Addendum to the Report of the Government Committee on Trusts (Cd. 9236) which was signed by Messrs. Ernest Bevin, J. A. Hobson, W. H. Watkins, and Sidney Webb contains the following statement: "We have to recognize that association and

combination in production and distribution are steps in the greater efficiency, the increased economy and the better organization of industry. We regard this evolution as inevitable and desirable."

Moreover the commercial competition of other nations becomes every year more and more intense. This makes the principle of combination absolutely essential if British Industry is to hold its own at home and abroad.

If, therefore, the present industrial system is to reach its full efficiency as a means of satisfying the requirements of the community, the evolution towards large-scale organization must be encouraged and not discouraged. At the same time it must be remembered that the administration of large centralized concerns is still in an experimental stage, and only experience can discover how best to eliminate the inherent difficulties. Meanwhile the development of combinations of capital is undoubtedly responsible for some of the present unrest in the industrial world, for the following reasons:

Relations between Producer and Consumer

The growth of monopolistic combinations has disquieted, and occasionally led to the exploitation of the consumer, though this latter feature has, almost certainly, been greatly exaggerated. In this connection we would refer to the following statement by Dr. J. W. Jenks, the well-known authority who has been intrusted by the Government of the United States with the drafting of anti-trust legislation: "Contrary to public opinion, a careful study of the charts indicates that the effect of these combinations taking their history as a whole has not been to increase prices to the consumers, though at certain times and for relatively short periods they have doubtless increased prices." (*The Trust Problem,* Chapter IX).

Relations between Capital and Labor

The aggregation of capital into large units has led to the separation of the owner of capital from the workers he employs. Formerly the owner of capital generally took an active part in the direction of his business. The business was on a small scale, and he was directly in contact with his workers. Now the owners of capital in any large concern may be hundreds of thousands,

and the size of the unit is such that management must be by deputies sub-divided into various grades, and little if any personal contact can exist between the owners of capital and the men employed.

Waste of National Resources

Another disadvantage which has arisen from the rapid development of industry has been the great waste caused in some of the world's essential resources.

The need for some adequate safe-guarding of the interests of the community in the future becomes evident, when we consider the reckless using up of the future resources of the world, such as has been manifest, for example, in the United States of America. The voluminous Report of the American National Conservation Commission in 1909 gives the facts in striking detail. We read there the story of "the robbing of the soil" by the prairie farmer, the destruction of the forest by the "lumber kings," the reckless exhaustion of the oil fields, the frittering away of the potential water power, the neglect of irrigation, the loss of wealth by coast-erosion and river inundation—showing in the aggregate a vast economic waste.

THE DEMANDS OF LABOR

The remedies which the Labor and Socialist Parties suggest for the difficulties which have been referred to above are:

1. Nationalization

(a) To prevent the possible exploitation of the consumer by the monopolies which may result from the centralization necessary to the efficiency of certain industries and public services.

(b) To supervise and co-ordinate the development of essential national resources.

2. Democratic Control by the Workers

To prevent the alleged exploitation of Labor by Capital, both in regard to—

(a) Conditions of employment.

(b) Division of the rewards of industry.

I.—NATIONALIZATION

The word nationalization is used loosely to cover a great many forms of communistic enterprise, *e.g.,* State ownership, State ownership combined with State management, municipal enterprise, etc. These various forms all raise different considerations which cannot be discussed in detail in a report of this character. We propose therefore to set out our views by means of a number of general statements.

State Management

We would begin by laying it down as a general proposition that centralized management by a Government Department is fatal to commercial efficiency and enterprise. We observe that those members of the Government Committee on Trusts who signed the Addendum to the Report of the Committee (Messrs. E. Bevin, J. A. Hobson, W. H. Watkins, and Sidney Webb) were careful to safeguard themselves by stating that State ownership does not necessarily imply State management, while Mr. Justice Sankey in his Report on the Second Stage of the Coal Industry Commission stated (*see* para. xlii.) that "Hitherto State Management has on balance failed to prove itself free from serious shortcomings." The Hon. F. M. B. Fisher, who as Minister of Trade and Customs in the Government of New Zealand (1912-1915) has had practical experience of Socialistic Government, made the following remarks in his evidence before the Coal Commission:

"I hold the view that State monopoly is even a worse evil than private monopoly—the latter must be efficient in order to resist private competition on the one hand, and prevent the demand for State intervention on the other. The State has no such grounds for efficiency."

Sir Keith Price, Director of the Raw Materials Section of the Ministry of Munitions in 1915 and Deputy Director-General 1916 to 1917, in his evidence gave a full summary of the objections to bureaucratic management, as follows:

"My experience of those Government factories which were in existence previous to the war confirms me in the opinion that Government factories cannot be operated on competitive or economic lines,

owing to the cumbersome nature of the procedure, which is inevitable under Parliamentary and Departmental control.

"Among the objections against Government control to which I attach importance are the following:

"1. The Management having so little say in:
(a) The appointment and selection of staff;
(b) The grading of salaries;
(c) The lack of authority in dealing with labor;
(d) The efficient maintenance of plant, *i.e.*, the scrapping of obsolete plant and the installation of up-to-date plant.

"2. The weakness of any Government organization in purchasing the raw material on competitive lines (a condition which did not operate during the war owing to so many prices being controlled and material being rationed).

"3. The weakness of any Government organization marketing its products. I cannot see how this can be done satisfactorily on commercial lines without acute controversy.

"4. Political pressure will certainly be brought to bear whenever questions of closing down inefficient or uneconomical concerns arise, or even on lesser subjects."

We would add that all these difficulties appear to us to be intensified under a democratic form of Government, and in confirmation of this it may be observed that the bureaucracy of Germany under the Imperial system, which involved subjection to the Imperial Executive and freedom from Parliamentary control, came nearest to achieving an efficiency comparable with that of private enterprise. It would, therefore, seem almost inevitable that if a nationalized industry is to achieve any high degree of efficiency it should be developed under a system of autocratic control, and the greater the extent to which the industries of the country are nationalized, the greater the danger that the Government will tend away from those ideals of true democracy which have only just triumphed at the cost of so much suffering.

Manufacturing Industries

These inherent weaknesses of State management account for the fact that, while the State has at different times and in different countries undertaken a wide range of those important enterprises which aim at rendering a service open to the whole com-

munity, and has, to some extent, engaged in manufacture for its own consumption, it has not, speaking generally, engaged in industries aiming primarily at the production of goods for exchange. This is the most difficult class of productive enterprise, needing, if it is to be successful, the most elastic and far-sighted management, a close and continual study of individual requirements, and constant re-adaptation to meet changing conditions of demand.

The State is obviously unsuited for enterprise of this kind, and it is not surprising that, although State monopolies have been established in certain products for purposes of revenue, the results have in general been most unfortunate for the consumer.

The same can be said of municipal enterprise; this has never engaged to any substantial extent in the production of goods for exchange.

It is, in fact, impossible for this class of production to be satisfactorily carried out unless the producer is subject at the same time to the spur of possible profit and the curb of possible personal loss. The civil servant or municipal employee should be immune from the temptation of personal profit, while the body which employs him (the State or Municipality), having the public purse behind it, is liable to fluctuate between over-caution and extreme recklessness.

It is further inconceivable that an industry owned or managed by the State could enter into competitive trade in foreign countries in the present stage of human development, without encountering difficulties both economic and political, which would be disastrous to any hope of amicable international relations. Every trade dispute would become a potential *casus belli,* every unpaid account or broken contract the subject of an ultimatum.

And yet, as we have already pointed out, a great and increasing export trade is an essential of continued existence to a highly industrialized country such as Great Britain, dependent for a large proportion of her essential foodstuffs and raw materials upon her imports, and compelled to pay for them by the export of manufactured commodities.

Public Service Industries

Where there is no question of meeting the varying requirements of individual consumers, but only of supplying some public service open to the whole community, different considerations arise. As

is well known, a substantial proportion of the essential public services, such as Transport, Supply of Water and Lighting, Drainage, etc., in many civilized countries, is in the hands of the State or Municipality. The Nationalization or Municipalization of these services has been accelerated by the fact that these forms of enterprise can be run more or less by routine methods and are conducted on the principle of increasing returns, that is to say, in the words of J. S. Mill, "can only be carried out advantageously upon so large a scale as to render liberty of competition illusory." These services fall into different categories, which require separate consideration. Our views in regard to them are summarized in the following propositions:

1. There are certain public services, such as the provision of Roads and Sewers, which must be handled by the State or Municipality, because it is either impossible or undesirable to make a direct charge for them.

2. There are certain public services which involve the exercise of exceptional and arbitrary powers over individual or public property and can more efficiently be conducted as monopolies. Considerations of public policy often make it desirable that where these are of purely local importance they should be conducted by the Municipality.

3. In some cases successful results have been obtained by vesting important public service organizations in special Commissions or bodies of Trustees nominated by the chief users and the appropriate Public Authorities.

4. There are certain Public Services, the activities of which must be co-ordinated over large areas if they are to obtain real efficiency. We suggest that the most effective way of obtaining this co-ordination will generally be to facilitate the amalgamation or co-operative working of the different undertakings in each area, subject to the safeguards necessary for the protection of the Public.

Conclusion

Finally, we desire to record our emphatic opinion that in dealing with industries or public services of whatever class, whether local or national, any further extension of State monopolies should be avoided not only for the reasons given above under the heading of "State Management," but also because:

(*a*) The proper safeguard against private monopoly is not the creation of State monopolies, which are much more dangerous. The intervention of the State should aim, not at removing, but at preserving so far as possible the advantages of competition.

(*b*) There is very grave objection to the Government being the employer of a large proportion of the voters upon whose support it depends.

(*c*) The principal aim of the State must always be political; governments are organized for political and not for commercial purposes and must always be overloaded with political work which will be their chief concern.

(*d*) The existence of such monopolies makes it impossible for the Government to be impartial in industrial matters, and makes for political corruption.

(*e*) It has hitherto been found impossible for the State to give sufficiently free play to local knowledge and experience in connection with the services which it administers, and over-centralization is hostile to progress.

(*f*) State administration is always found to involve serious delay in the taking of decisions, even on matters of detail, and to be deficient in that elasticity which is essential to commercial success.

(*g*) The fact that any deficiencies in working can be met out of revenue is often an irresistible temptation to uneconomical working.

(*h*) Owing to the close interdependence of our different industries, the taking over by the State of one Industry for what may be considered reasons of public policy may involve the State in the necessity of taking over other Industries, the Nationalization of which would be a disaster to the community.

RECOMMENDATIONS

(*a*) State Regulation of Monopolies

But although we are averse to State Management, we recognize that the public is entitled to some protection against possible exploitation by monopolies. As we have already indicated, we think the danger of this exploitation has been greatly exaggerated,

but the fear of it exists and industry should, therefore, submit to such intervention on behalf of the State as may be necessary to remove the hostility to the idea of combination which undoubtedly affects certain sections of the public.

In our opinion, the principles on which State action should be based are generally indicated in the Report of the Government Committee on Trusts, and we are prepared to support those recommendations of the Committee, which throw on the Board of Trade the duty (1) of inquiring into any reasonable complaints, which may be made with regard to the existence or action of any Trade Association or Combine and referring any question which may arise from their inquiry to a special tribunal for investigation and report, and (2) of recommending to the State action for the remedy of any grievances which the tribunal may find to be established.

It will, however, be most important in carrying out any policy of this kind to safeguard the position of the Export Trade, and we regard it as essential:

(1) That no restriction should be placed on British Industry which will prejudice its position in the export trade.

(2) That care should be taken not to publish or give extended circulation to any information regarding the activity of Trade Associations or Combines, which might be useful to their foreign competitors.

(*b*) Conservation of National Resources

We are also of the opinion that the State should exercise the supervision and control necessary to insure that the national resources are not wasted, but are used to the best advantage of the community; this should not involve the exploitation of such resources by the State, and need not involve State ownership, but only the amount of regulation necessary to prevent waste.

Note.—Co-operative Societies

Before leaving this branch of our subject, we desire to mention one other form of enterprise which has done excellent work for the community, and should have considerable development in the future, though it can never cover more

than a small part of the whole field of production. We refer to the work of the Co-operative Societies. These Societies are Associations of consumers who unite voluntarily with the idea primarily of supplying their own requirements. They buy the greater part of their supplies in the ordinary markets and to that extent their work is distributive only. But they have established factories and workshops for making shoes, clothing, hardware, biscuits, etc., for their own consumption. In this they have been fairly successful and their success is due largely to the fact that they have an assured market and confine themselves to making staple goods by standard methods.

II.—DEMOCRATIC CONTROL

Scope of the Demand of Labor

According to a writer in the *Round Table* for June, 1916, "The unrest in the industrial world to-day has not its roots solely in poverty and want. There is something deeper still at work. Wage-earners are filled with a vague but profound sentiment that the industrial system, as it now is, denies them the liberties, opportunities and responsibility of free men."

This feeling of unrest, which is naturally more characteristic of the intellectual section of Labor than of the rank and file of the workers, has given rise to the demand, which the proceedings of the Coal Commission have brought into prominence, for "Democratic Control."

The scope of the demands of Labor under this head ranges from a share in the control of working conditions to the taking over of the whole function of the employer. Speaking generally the advocates of "Democratic Control" ignore nationalization and aim at placing the control of Industry to a greater or less degree in the hands of the workers, thereby admitting what is undoubtedly the fact, that neither Nationalization nor Municipalization will substantially affect their position. The Manual Laborer when working for the State, the Municipality, or the Co-operative Society is still a wage-earner and subject to discipline, and the relations between employers and employed are marked by the same characteristics as under ordinary capitalistic employment.

Mr. Gosling's Suggestions

As an example of the more moderate demand, we have the suggestions put forward by Mr. Gosling in his Presidential Address to the Trade Union Congress, 1916:

"Would it not be possible for the employers of this country . . . to agree to put their businesses on a new footing by admitting the workmen to some participation—not in profits, but in control? We workmen do not ask that we should be admitted to any share in what is essentially the employers' own business—that is, in those matters which do not concern us directly in the industry or employment in which we may be engaged. We do not seek to sit on the Board of Directors, or to interfere with the buying of materials or with the selling of the product. But in the daily management of the employment in which we spend our working lives, in the atmosphere and under the conditions in which we have to work, in the hours of beginning and ending work, in the conditions of remuneration and even in the manners and practices of the foremen with whom we have to be in contact, in all these matters we feel that we, as workmen, have a right to a voice—even to an equal voice—with the management itself. Believe me, we shall never get any lasting industrial peace except on the lines of democracy."

But there has long existed a school of economic thought whose demands go much further than this. The elusive idea of a form of organization, in which the workers would have complete control of their lives and work, has given rise in the past to numerous experiments in "Self-governing Workshops." The same aspiration in a different form, applicable to modern large-scale industries, emerges to-day in the proposals of the Syndicalists and the Guild Socialists.

Syndicalism

Syndicalists aim at the ownership of the means of production by organized Labor, without any intervention by the State. They are radically opposed to Socialism, holding that the State is the great enemy, and that collective ownership by the State would make the lot of the workers much worse than it is now under the private employer.

Guild Socialism

Guild Socialists, on the other hand, hold that "the State should own the means of production as trustees for the community; the

Guild would manage them, also as trustees for the community." They hope to be able to include in their Guild both the manual workers and the brain workers in the industry. The view of Guild Socialists is that State Socialism takes account of men only as consumers, while Syndicalists take account of them only as producers.

The essence, however, both of Guild Socialism and Syndicalism is to change the control of Industry "from above" into control "from below." Both schools realize that State Socialism will not do anything to improve the status of the manual workers.

Past Experiments in Co-operative Production

The history of past experiments in Co-operative Production (whether of workers actually owning the shop and plant or of men working co-operatively under contract with the owner of the plant) shows that any policy of this kind must be fatal to our national efficiency.

Associations of workers, which have been formed for the purpose of carrying on Production, have found themselves unable to cope with industries conducted on a large-scale, and in small-scale industries they have failed to make headway against, or even keep pace with, the capitalist system. In no country has any but the smallest fraction of industry fallen into their hands.

The following are the more obvious defects of nearly all attempts at Co-operative Production:

1. The difficulty of securing discipline and efficient management when the manager is himself subject to those whom he has to direct.

2. Self-governing Workshops have all been noticeable more or less for the slowness and reluctance with which they have reacted to any industrial change. The workers are biased in favor of the continuance of that to which their hands have become adapted. They are slow to introduce new processes, slow to adopt new inventions, slow to instal machinery, slow in altering designs and patterns, and particularly slow to recognize the coming in of some alternative to their own commodity.

3. Finally the gravest, and apparently the most insuperable, drawback to this form of industrial organization is that the manual working producers have no intimate or accurate knowledge of the market for which they have to produce. They are

not in direct contact with the consumer of their commodity. They do not recognize his desires or caprices; they are unable to foresee what he would prefer—hence they are constantly finding themselves unable to dispose of their wares.

Production for exchange cannot be successfully carried on unless the actual producer is under the direction of the commercial side.

Mr. Sidney Webb, in a draft report prepared for the Committee of the Fabian Research Department in 1916, summarizes the position as follows:

"Attempts of Trade Unions to engage in industry have been uniformly and invariably financially unsuccessful, and no encouragement should be given to any Trade Union to find any capital for industrial enterprises, whether under its own control or by self-governing workshops or what is usually styled co-operative production."

And again:

"The self-governing workshop has, however, proved by universal experience to be inapplicable to any industrial undertakings on a large scale, and therefore affords us no plan of organization for the great mass of modern industry. Even in the industrial enterprise that can be carried on in a small way, the self-governing workshop, where the workers enjoyed absolute autonomy, has proved by long and varied experience to be, in all but very exceptional cases, neither stable, nor, so long as it endures, economically efficient, and that where any commercial success has been attained, it will be found that it has been gained when there is a close market, nearly always a partially-tied market, such as co-operative stores."

RECOMMENDATIONS

It is, however, impossible not to recognize that the theories of the Syndicalists and Guild Socialists have arisen from a genuine grievance, which demands and should receive some remedy. That remedy, however, must not attempt to reverse the existing industrial order, or it will, as recent events in Russia show, have disastrous effects upon our economic system, from which the workers themselves will be the chief sufferers.

Social grievances such as poor housing, insufficient educational facilities, etc., are largely responsible for the idea of the class war, which is at the bottom of much industrial unrest. These are matters of primary importance, but the responsibility for the

evils which undoubtedly exist rests upon the community as a whole, not solely upon employers, and the remedy for them must be in the main political. Much, however, could be done by improvements in industrial practice (particularly on the part of the Trade Unions), to give increasing opportunities for the advancement of merit and so to a great extent remove the artificial boundary between the classes. Quite apart from restrictions on output the atmosphere of Trade Unionism has tended to discourage emulation amongst the workers, and to prevent the able and industrious worker from obtaining the position due to his abilities.

Putting these considerations aside, the difficulties can, we submit, be reduced to a fairly narrow compass, and ought not to be incapable of adjustment, although it is impossible to put forward remedies which will be universally applicable, owing to the very great complexity and diversity of modern industry, in regard to such matters as the size and methods of organization of the different firms and trades; the difficulties of the relations and organization of Trade Unions; the ratio and relations of skilled and unskilled labor; the variations which obtain in the proportion of capital employed to Labor costs; the degree to which the works can be carried on by routine methods, etc.

It must be remembered that industry is a living organism, which is undergoing a process of continuous development and growth. We believe that all attempts to impose pre-conceived schemes of organization can only result in hindering progress and may lead to disaster.

This applies especially to those artificial schemes of reconstruction which find advocates among the extreme sections of Labor in the different countries of the world at the present time. We are convinced that the industrial system of the future can only be built up on the foundation of present and past experience.

With these considerations in mind we proceed to consider possible developments under the two following heads: "Participation in Management" and "Participation in Profits."

(*a*) Participation in Management

Conditions of Employment

We are strongly of opinion that the workers in every industry should be given the fullest possible voice in the determination of

the conditions under which they are employed, provided this does not encroach upon the operations of the Commercial Management or lessen the proper authority of the foreman. Subject to these qualifications we endorse most willingly the suggestions put forward by Mr. Gosling in his Presidential Address already quoted.

Whitley Councils

Generally speaking, we think that the objects which we have in view can best be obtained by carrying out, with all possible speed, the recommendations of the Whitley Report in regard to National and District Industrial Councils, where the conditions of the trade permit. These recommendations have repeatedly been approved by the Federation and we desire once more to state in emphatic terms our approval of them, and especially of the proposals for District Councils.

The recommendations of the Whitley Committee, if properly carried out, will give the worker a new and honorable status. In the National Council of the Industry and in the Joint Industrial Council (the formation of which should result from the recent National Conference of Employers and Trade Unionists) his representatives will sit on an absolute equality with the employers, and will have an equal voice in determining the general conditions subject to which the Industry will be carried on.

The carrying out of these conditions will be a moral obligation on the Commercial Management no less than on the Workers in the individual firms.

But the success of these Councils must depend on the loyal acceptance of their decisions by both sides. We understand that some of the Councils are already applying for legislation to give legal validity to their decisions. It is obvious that the general adoption of this course would greatly increase the effectiveness of the scheme.

Commercial Management

We have carefully considered the question how far the workers can be given any share in the Commercial Management of the business employing them, but we are convinced that it is undesirable and impracticable to attempt this. The history of the various experiments on the line of the "Self-governing Work-

shop" shows that any attempt of this kind would inevitably throw Industry into confusion and weaken the productive force of the nation.

The workers are legitimately interested in the general conditions governing the industry in which they work, so far as the industry as a whole is concerned, and should be given the fullest possible voice in the settlement of general conditions, but the Commercial Management must be kept as a separate department which should be open to any person possessing the requisite qualifications, but which must not be under the control of the manual workers. For these reasons we agree with Mr. Gosling that no solution can be found by offering the workers representation on the directorate. We have heard of certain large firms who have adopted or are thinking of adopting this plan, but we feel it impossible to make a general recommendation in favor of such a practice.

Publicity in Regard to Trade Statistics

We regard it, however, as of the utmost importance that the workers should be given a better insight into the industry which employs them. We consider that they should have a greater interest in their work and a clearer understanding of the financial condition of their industry as a whole and of the difficulties involved in the management and in the obtaining of markets.

It is difficult to suggest any definite arrangement which will be generally applicable to all industries, but we believe that the declared objects of several of the National Industrial Councils which have been formed include provisions for the supply to the workers of properly certified aggregate statistics for the industry in regard to wages, manufacturing and selling prices, average percentages of profits on turnover, and materials, costs, etc.

Works Committees

We believe also that, in Industries where circumstances admit of their formation, Works Committees will do much to make the worker realize that he is acquiring a new status in Industry. The institution of these Committees should be encouraged in every possible way, subject to the qualification that they should in general be representative of the workers only, and should be regarded

rather as a channel through which the workers can make such recommendations as they desire to the Works Management.

Within these limits they should be given the highest possible status.

(*b*) Participation in Profits

Before proceeding to deal with this part of our subject in detail we desire to call attention to the analysis of the national income before the war, made by Professor Bowley, one of the outstanding statistical authorities in this country, in his book entitled "The Division of the Product of Industry," published 1919. This analysis shows that "before the war the wealth of the country however divided was insufficient for a general high standard; and there is nothing yet to show that it will be greater in the future."

Professor Bowley concludes that:

"The most important task,—more important immediately than the improvement of the division of the product—incumbent on employers and workmen alike, is to increase the national product and that without sacrificing leisure and the amenities of life."

"The problem of securing wages which people rather optimistically believe to be immediately and permanently possible, is to a great extent independent of the question of national or individual ownership, unless it is seriously believed that production would increase greatly if the State were the sole employer."

It would seem to follow from these conclusions that any proposals for increasing the remuneration of the workers should be framed in such a way as to give the greatest possible incentive to increase the national production.

Proposals of this kind may be classified under three headings: "Profit Sharing," "Pooling of Profits," and "Payment by Results."

Profit Sharing

We are unable to make a general recommendation in support of any system of profit sharing for the following reasons:

(*a*) So far as we can ascertain profit-sharing is not desired by the workers, who are chiefly interested in securing high and

regular wages and not in obtaining what they regard as occasional windfalls.

(*b*) Profits are not the correct basis for calculation of wages, because the remuneration of the workers ought not to be made dependent on the successes or failures of the commercial management.

(*c*) The general introduction of profit-sharing would lead to great inequalities between the position of workers in different works and industries, and this would give rise to a sense of dissatisfaction and injustice.

(*d*) The schemes of profit-sharing at present in existence only give a very small addition to the earnings of the workpeople, and this must always be the case except where the capital engaged in an industry bears a high proportion to the number of workers employed.

The above criticisms do not, however, apply to the contributions by employers, either individually or through their trade associations, to thrift, superannuation, accident, sickness, or unemployment funds. Where a policy of this kind can be adopted it will do much to remove the feeling of insecurity and the fear of sickness and old age which are a large factor in industrial discontent.

Pooling of Profits

We have considered the suggestion that some system might be devised whereby after capital had received a certain return, and the necessary allowance for depreciation and repairs had been made, a part of the profits should be set aside for distribution among the workers.

Schemes of this kind may be employed successfully in some industries, but they are open to the general criticism which has been made above in regard to profit-sharing, and it would be impossible to devise a scheme which would be universally applicable. We are therefore unable to make any definite recommendation on the subject.

Payment by Results

We consider it desirable, however, that, where possible, the remuneration of the workers should be made to bear some proportion to the efficiency of their own efforts, so that good and regular work may be adequately rewarded without consideration

of the rate of profit arising from the commercial management of the business. We regard this as a matter of very great importance, and we desire to record the strongest possible warning in regard to the injury which will be inflicted on the productive forces of this country, if the agitation against the principle of payment by results, now being carried on amongst certain sections of labor, proves successful.

At the same time we realize that the workers have some excuse for their attitude in view of the fact that in some cases individual employers have unjustly cut piece rates, when the activities of the workers have resulted in their remuneration being largely increased.

If the system of payment by results is to become general, it is essential that employers should establish equitable systems for fixing piece rates, and that there should be some reasonable procedure for the sanctioning by an impartial authority of any adjustment which may prove necessary.

THE STATE AND INDUSTRY

In our recommendations regarding the relations between Capital and Labor, no mention has been made of the functions of the State. Generally speaking we believe that neither employers nor employed desire the intervention of the State to settle their difficulties, except as an impartial arbitrator. The principles of trade union representation and collective bargaining are now fully accepted by employers. We hope that both sides will show themselves increasingly ready to yield to the influence of public opinion, and this tendency will, we believe, grow as the establishment of Joint Councils gives greater opportunity for the friendly discussion of difficulties and greater and wider appreciation of the economic conditions under which industry is carried on. Nor, as we have already pointed out, would the position of the worker be substantially altered under State or Municipal ownership. He would remain a wage earner, as he is under private enterprise. Any concession which could safely be given to the worker by a Governmental or Municipal employer can and should be given by the private employer. We have already indicated what we consider those concessions might be.

The function of the State in relation to Industry should be

confined to laying down minimum conditions for employment and safeguarding the public, *e.g.*, from the dangers due to the development of monopolistic combinations, whether of Capital or Labor. For the power of monopoly is not confined to organizations of capital. The Trade Union which endeavors to exploit the community by withholding its labor is acting as much in restraint of trade and should be subject to the same State control as the Combine which endeavors to exploit the consumer by means of a monopoly of its products.

CHAPTER II

EVIDENCE OF THE RIGHT HONORABLE BARON GAINFORD OF HEADLAM TO THE COAL INDUSTRY COMMISSION

I AM Vice-Chairman of Pease and Partners, Limited; a director of T. and R. W. Bower, Limited, owners of Allerton Main Collieries, Yorkshire; of the Broomhill Collieries, Limited, Northumberland; and have been engaged in the direction of collieries and ironworks for a period of 37 years. I am a member of the Durham Coal Owners' Association, and for many years have been a member of the Executive Council of the Mining Association of Great Britain. I am chairman of the National Association of Coke and Bye-Product Plant Owners. I am a member of the Committee of the Privy Council for Scientific and Industrial Research.

I have occupied the position of patronage secretary to the Treasury, and as a Minister of the Crown I have been Chancellor of the Duchy of Lancaster, President of the Board of Education, and Postmaster-General.

The evidence I shall give is given with the authority of the Mining Association of Great Britain, but as it is a voluntary association, it must be understood that anything I say cannot legally bind any particular member of the Association, nor, of course, any coal owners outside the Association.

Whilst we are prepared to give to the men full opportunity of making representations through organized channels and having those representations considered, yet any system which involves joint control in the management between the owners and the workmen is not only impracticable but will inevitably lead to the most disastrous results in the interests of the country. I cannot conceive of anything more futile than to attempt to manage a colliery by means of a committee or council upon which there was an equal representation of the existing management and of the

workmen's representatives. The working conditions of a mine are not capable of being brought within such a system of control. In the first place certain statutory regulations have to be carried out for which the management alone can be responsible. Apart from this, rapid decisions have constantly to be made in respect of questions of safety and otherwise. To attempt to work collieries by means of committees would mean that these committees would become debating societies in which division of opinion might be expected rapidly to develop, with all the consequent results of want of cohesion and want of initiative. In my view it appears to be not only impracticable, but inconceivable that such a system of control and administration could possibly be introduced in the interests of the country.

Any system of joint control, whether between the State or with representatives of the miners, would be absolutely unworkable and subversive of discipline and detrimental to national interests, and I put it to one side at once, as there is no firm of employers who would carry on the industry for a moment if they were not going to continue to have the direction of the business and the executive control of their undertaking; moreover, no self-respecting engineer that I have met is prepared to take the responsibility of working under any such system. It would not only endanger the lives of working men, and destroy all efficiency, but the property would be wasted, and the industry could not be run as a commercial or practical proposition.

I am authorized to say, on behalf of the Mining Association, that if owners are not to be left complete executive control, they will decline to accept the responsibility of carrying on the industry, and though they regard nationalization as disastrous to the country, they feel they would, in such event, be driven to the only alternative—nationalization on fair terms.

RELATIONS WITH WORKMEN:

(a) *Wages.*

The wages of the workers in each district, instead of varying with the selling price of coal, should be regulated with reference to the profits resulting from the industry in that district. There should be determined:

(1) A minimum or standard rate of wages to be paid to each class of workman in that district, and which for the protection of the consumer should be fixed by machinery to be set up in conformity with the proposals of the National Industrial Council.

(2) The particular items of cost, other than standard wages, which are to be included in the cost of production, to be determined in each district by qualified accountants appointed by and representing each party.

(3) A standard rate per ton to provide a minimum return for and redemption of owners' capital to be determined for each district by qualified accountants, as above.

Any balance remaining after these items have been provided for should be divided between Labor and Capital in proportions to be agreed, the workmen receiving their proportion in the shape of a percentage addition to the standard wage.

These additions to the standard rates of wages in each district would vary in accordance with the variation of profits shown by each periodical ascertainment in such district.

The ascertainments of the average profits of each district should be made quarterly by the accountants.

As the owners might, in times of depression, be required to pay a standard rate of wages when they would not be receiving the standard return on capital, any deficiency in any quarter in the standard return on capital should be made up out of the return in any subsequent quarter or quarters, before making any division between the owners and the workmen.

Questions arising with respect to any of the matters referred to in this paragraph, and the settlement of which is not otherwise provided for, shall be settled by the Joint District Committees or Conciliation Board referred to in the next paragraph.

(b) *Co-operation of Workmen and Owners.*

Machinery should be set up for the purpose of arranging all questions between the owners and the workmen, and making provision for the owners and workmen conferring upon all matters of particular or general interest relating to safety, production, efficiency, and the well-being of the workers.

This machinery should consist of the establishment, or continua-

tion where already established, of Joint Pit Committees, or other Consultative Local Committees without executive power. Any questions not satisfactorily disposed of by any Pit or Local Committee should be referred to a Joint District Committee or Conciliation Board to be composed partly of owners or their representatives and partly of representatives of the workmen.

Districts should be those established under the Minimum Wage Act.

CHAPTER III

MY DREAM OF A FACTORY

By B. Seebohm Rowntree

[Mr. Rowntree gave this talk to a group of social workers. He is one of the heads of Rowntree and Co., the cocoa firm. He has installed the Works Council. This dream is a program which he is progressively enacting.]

When I sat down to prepare my speech, I did so with the best intentions. I wanted to give a formal and dignified address, dealing with certain specific aspects of factory management. But the formal and dignified address did not emerge. I found my mind wandering over the whole field of factory administration, and I began to dream of the kind of factory I should like to have, if I could conduct things just in my own way. I am going to content myself with telling you my dream.

First of all, I realized that business should be a form of national service. We should not go into it merely to make money, but keep the idea of service constantly before us. Our aim should be to produce articles of use to the community under satisfactory conditions, and place them on the market at a reasonable price. While no business could continue unless it were run on sound economic lines, we should always strive to subordinate the claims of industry to the claims of citizenship. And as I dreamed of my ideal factory, I resolved to bear that principle in mind.

Then in my dream I began to plan a great building. It occurred to me that my factory need not be so ugly as many existing factories. I would get an architect to plan its outlines and proportions so skilfully as at least to make it pleasing to the eye, and not a blot on the landscape. I would plant creepers to climb up its walls, and surround it with gardens and playings fields. I would do my best to prevent smoky chimneys.

Again, as I should want to get hold of workers of the best type, who came from good homes and were neat and clean, I would take all possible pains in the planning of the inside arrange-

ments of my factory. I would have suitable amenities—cloak-rooms with hot water pipes just above the floor, so that clothes could be aired, and, in case of wet weather, dried, ready to put on again when the time came. There should be little racks over the hot pipes, on which boots and shoes could be dried. Slippers should be forthcoming for people who got their feet wet, and a number of umbrellas in case of emergency. Good lavatory accommodation, with hot water and towels, all conforming to a very high standard of cleanliness, would be essential. Even indoor equipment would need careful consideration. I decided, in my dream, to enlist the services of a good dressmaker, who would design overalls that any girl might be pleased to wear, and that would help her to take a pride in herself and her work.

As for the workrooms, they should have a beauty of their own. They should not suggest workhouses or penal institutions. I would call in men of artistic ability to supply a color scheme which was pleasing and which harmonized with the building. All the walls should be covered with beautiful tints of color wash, and some good pictures should be hung on them. Then I remembered that even the poorest people often spend a few coppers on flowers, and that a trifling outlay would make a great deal of difference in the appearance of the rooms. So I determined to put plants and flowers here and there, and make the whole place look more homelike.

Then I remembered an interview with Dr. Kent, the famous scientist. He told me how many factors affect the health of the workers. The noise and turmoil of factories, for instance, were often injurious to them. So I resolved that an engineer should go all round my workrooms, everywhere trying to deaden the throb of the machinery—and at the same time to banish every offensive smell.

I next reflected that it is impossible to get more energy out of a man than is put into him, and that it can only be put into him through the alimentary canal. So I would have a first-rate canteen in my dream factory. I would do more than supply the bodies of the employees with a certain number of calories of fuel energy. I recalled the rush and scramble of popular cafés in London, and I knew that the meals I ate there did me very little good. So my canteen should be restful, and pleasant in appearance, that the hour spent there by the workers might be a time

of real recreation. After all, the dinner-hour is the one substantial break between two solid shifts of work, and I should want my people to work as well in the afternoon as in the morning. I would pay for the building, heating, lighting, and equipment of the place, and I would ask the workers to pay for the service and for the cost of the food, and, through an appointed committee, to unite with the head of the canteen in making the whole thing a success.

From this I turned to another aspect of health. I would appoint a works' doctor to be in attendance every day, and I would do my best to find a really sympathetic man. Then, in view of the extreme importance of clear vision, I would have an oculist to test every worker's eyes without charge, and to fit him up with glasses, if necessary. There should be a good dentist, and a competent nurse, and there should be plenty of rest-rooms. In all these things, I would try to keep the balance between myself as a citizen and myself as a business man. From each standpoint, I wanted my people to be vigorous, alert, and healthy, both good workers and good citizens.

Now, what principle should guide me in fixing the working hours of the factory? I remembered that I was living in a competitive age, and I could only hold my own among other manufacturers, if I put my goods on the market at a certain price. My working hours must enable me to carry on business successfully. If my margin of profit were so low, my balance sheet so unsatisfactory that I could not even get an advance from the bank, how should I realize my ideals? Clearly, it was essential to have a good output; but yet, I did not want to fall into the old rut, which had regulated hours for the last fifty years, and to start work at six o'clock just because other people did.

"What," I asked myself, "is the minimum number of hours in which the workers could produce the necessary output?"

I saw that when it came to running an ideal factory, infinite pains should be given to finding out the right answer to that question. The employer would have to free his mind entirely from prejudice, and old-fashioned ideas. He would have to ascertain the output which would enable him to compete successfully in the markets of the world. He would have to make use of every scientific discovery to help him to secure that output, and he would have to decide the number of hours which workers

must contribute after due reference to all the other factors. Clearly, I should need to keep my own brain in good working order, in running my ideal factory.

Now, as regards Trade Unions, I would, from the very outset, regard them as my friends. I would not set to work in a spirit of animosity. The organization of the workers is not only absolutely essential to their prosperity, but it is in the interests of industry as a whole, including the employer. I should like to say quite frankly to Trade Union leaders:

"Now, I want to do the square thing. I believe that I can make my business successful, not only to my own advantage, but to that of the workers, if we co-operate. But I need your help, and I need your perfectly frank criticisms. Only, in all our negotiations, let us keep one aim in view—namely, that all our actions shall be based on justice. Let us avoid mutual suspicions, and when we differ from one another, let right, not might, have the casting vote."

I would encourage all my workers to join Trade Unions, although, not being a Prussian, I would not force them to join. But I would give them every facility, with a room in which to meet, and opportunities for collecting their subscriptions. One definite half-hour a week could be set apart for that purpose. Mind, I would not have those subscriptions, or any other subscriptions, collected in a casual happy-go-lucky manner, at all times and seasons! That would mean the devotion of so much thought and energy to matters not directly connected with the work in hand. And, in an ideal factory, I should want to get ideal value out of every working hour.

As to the administration of my business, I should first of all gather round me men of the right type with ideals and principles similar to my own. For the highest posts, I would secure the very best men I could lay my hands on, and pay them whatever was necessary. Whether I paid my best men one, or two, or three thousand a year would matter infinitely less than whether they were the right men, men who not only had first-class business ability, but sincere belief in human brotherhood.

As for managers, foremen, and forewomen, I would only employ gentlefolk. I mean gentle-men and gentle-women. I would not care what rank of life they came from, if they answered to that definition in the best and truest sense. I should tell them that

my ideals were high, and could only be realized with their help; that if they failed me, I failed. Each of them should be a leader; and he who leads must be in the van, and know the right way. Human beings may be driven, never led, never inspired, by those who lag behind. This would mean a very high standard, both for them and for myself. We should all have to be pretty good to begin with, and to go on getting better and better, and never to dream that we had completed our education.

I would encourage all the overlookers to form associations in which they might discuss their duties and their functions in the factory, as well as matters affecting their own interests. Their primary object should be to adapt themselves in every possible way to the heavy responsibilities and difficult tasks which devolved upon them.

With regard to the workers, I should like them immediately to undertake certain responsibilities. I would, temporarily at all events, keep the financial and commercial side of the business in my own hands, but so far as the industrial side was concerned, I would ask the workers to co-operate to the fullest possible extent. I would arrange for a system of Councils, including small sectional Councils, to deal solely with matters affecting small groups of workers, and departmental Councils, representing larger groups, and a great Central Council, to deal with matters which concerned the whole works. To that Council I would explain something of my dreams and purposes. I would say: "Now, I want you to co-operate with me in the conduct of this business. I want you, more and more, to be responsible for its industrial administration. But I am a practical man, and I realize that we must have good sound government and no anarchy. Therefore, though our ultimate object may be to make the works self-governing in all industrial matters, we cannot do this at once. We must move cautiously, and you must begin with a certain share of administration, and extend your boundaries as fast as is consistent with safety."

Experience has shown that a committee, or council, especially a large one, is not an effective instrument when it comes to constructive work. Its especial duty is to criticize. Therefore, while I would submit various schemes to the whole Council, I should recommend them to appoint small panels, or sub-committees, to consider special matters.

Such a Council might be taken into conference on such subjects as the number of hours to be worked, and their arrangement. Of course, I should insist on a certain standard of time-keeping. The workers in my ideal factory would not saunter in and out just as the spirit moved them. But I should not be wedded to any particular scheme of time office rules, even if I had formulated them myself. The Council would be quite free to formulate a better one.

I should make no great addition to the factory without consulting both the Central Works Council and the Council representing the workers who would have to work in the addition.

Again, if a great rush of work were imminent, I would put the facts before the Council, explaining the importance of supplying the goods and satisfying the customers. I would ask them how to put it through with the least strain on the workers. If, on the other hand, things were slack, I should ask the Council to advise me whether to reduce the staff, or to work short time, or how to meet the emergency.

Such a Council would discuss all questions of education and recreation, and it should have a voice in the appointment of overlookers. For example, I might nominate overlookers, and a subcommittee selected by the Council might criticize my nomination, or suggest other names. The final decision, here, would rest with the management.

With regard to the highest officials, I would not initially consult the Council. Their knowledge as yet would not enable them to select, for example, a head chemist, or a head engineer. But I should want their help in a very important matter—namely, making it possible for every worker to rise from the lowest to the highest rung of the ladder. Again, while standard wage rates would still be fixed by the Trade Unions in conjunction with the management, the workers would be free to discuss piece rates and to point out any grievance or injustice through their chosen representatives.

While the Council would be encouraged to make suggestions with regard to improved conditions in the factory, its functions should not be one-sided. It should not become merely the mouthpiece of dissatisfied workers. Definite responsibility would rest upon it as a body, and if things went wrong in the works, I should seek its help at once. Take, for instance, the question of theft.

If that became serious, I might appeal to the Council and say: "Now, I have done my best to remedy this evil. I have failed, and you, the representatives of the workers, must have a try. Exercise what fresh disciplinary measures you will. But create such an atmosphere in the factory that people will scorn to steal."

I would tell them that I remembered going round an Antwerp Diamond Cutting Factory with a Trade Union Secretary. No employers were in evidence. One workman pulled out of a drawer a handful of diamonds of all sizes, and I said to the Secretary, who was also a workman: "Do you never have anything stolen? There are mere boys here; do they never steal?"

He answered that if a boy were to pilfer the least thing, no Trade Union, in future, would admit him into membership.

I would ask the Council to get a similar spirit into our factory, for it would be theirs as well as mine. And I should say to them:

"I want every worker in this place to play the game. It is a great game, a man's game. I am trying to play it myself. If at any time any of you think that I am playing foul, come and tell me so to my face. But see that no single person plays foul. If he does, the umpire's whistle must blow, and he must be warned. If, after that, he still continues to play foul, he must be ordered off the field.

"Be true umpires! See that the game is played fairly and cleanly on both sides, yours as well as mine."

Perhaps I would also tell them the following story, to illustrate the fact that in the long run human beings win through by trusting one another. At the time of a great industrial crisis in America, when firms were "going broke" every day, an old-established business was passing through a terrible crisis. The time came when the employer did not know where to get money to pay his wages. No bank would advance him a halfpenny, and the district was seething with labor unrest. Well, one day his workers sent a deputation, demanding to see him. He thought this meant the end of all! He had done his best, and he had failed. But he received the delegation—they were surly-looking men. And one of them said:

"Well, boss, we hear that you are in very deep waters, and can get no money from the bank. Some of us have been putting our heads together, and we want to do what we can to help you.

We have a little money laid by; and we put it at your disposal, to the last penny, if you want it."

I would exclude men from my factory who simply did not mean to "play the game." I would not exclude a man who was trying hard, just because he had made a bad start, any more than I would exclude aliens from entering this country just because they were aliens. But, just as I would not suffer aliens to lower the standard of our national life, but compel them to live up to it, or quit, so every worker, if he expected to remain in the factory, would have to conform to its standards.

One indispensable thing in my ideal factory would be a really good Works Employment Department. A worker should be made to feel, from the very beginning of his career, that people acknowledged his claims as an individual human being. When inquiring about work, a newcomer should be shown into a comfortable, well-furnished waiting-room, and the Employment Officer should be sympathetic and kindly. Boys and girls, men and women, should all be received politely, and after engagement, presented to the head of the department which they entered, not in a haphazard fashion, perhaps by a mere lad, but with all due courtesy, by a gentle-man or gentle-woman.

With regard to wages, I should of course recognize the fact that wages are of two kinds. First, there is what has been called the basic wage, and then there is the secondary wage. The former represents the minimum sum which is necessary to enable the worker to live as a member of a civilized community in the twentieth century. The basic wage for a man should allow him to live in a decent house, to marry, and to bring up a family of normal size in full physical efficiency, with a margin for contingencies and recreation. No man should work for less, in my ideal factory, nor should any woman work without a wage which would permit her to live in accordance with a similar standard of comfort.

When I had seen to it that such wages were paid to the least skilled workers, I would remunerate skill at its market value, deciding this in conjunction with the Trade Unions involved. I should not be so anxious about skilled men, who are much better able to look after themselves.

But suppose I wanted to pay the basic wage, and could not do so, owing to the competition of other manufacturers who tried

to keep wages down, then I should go to the Minister of Labor and ask him to establish a Trade Board for the whole industry. On that Trade Board, I would try to impress the importance of at least securing the basic wage and thus, instead of allowing my competitors to "down" me, I should force them to rise to my level.

I should have no objection to piece work. Very possibly, two-thirds of the wage might be paid in the shape of day wage, which a man would receive irrespective of the amount of work he did, and the rest on piece, that is, so much per unit of work performed. Ninety per cent of the wages, I imagine, could be dealt with in that way. But if I thought the method unfair to such day workers as cleaners, etc., who could not be put on piece wage, yet were expected to work hard, I would in their case establish a room bonus, so that collectively they would be on part piece, and have a direct interest in the amount of work they accomplished.

I would pay for all public holidays, and I would give every worker a week's holiday, with pay. The officers would have longer holidays, varying with the measure of their responsibility, and the consequent strain upon them.

At this juncture in my dream it occurred to me that I was contemplating a very costly enterprise. I told myself that ideals were very expensive things, and I asked where the money would come from.

I knew that employers had access to no bottomless supply of wealth, out of which to meet any deficit occasioned by too rash an attempt to realize Utopia. I should have to make my money in my business, day by day. To meet an increased wage bill, and the cost of other improvements, I should have to depend on one of four sources: (1) the consumer, (2) my own profits, (3) my own organizing ability and initiative, and (4) the energy and efficiency of my workers.

Now, speaking generally, I could only tax the consumer in the measure that my competitors were taxing him. A monopolist could do more, but obviously if wage increases can only be obtained at the cost of corresponding increases in prices, the worker gets little or no advantage. As for profits, I know how often a business only makes just enough profits to keep it going.

While, therefore, I should not be greedy in the matter of profits,

I recognize that this fact alone would not enable me to carry out my ideals. I decided that as regards the wherewithal for running my ideal factory, to depend principally on myself and my workers.

I would have the very best experts in my factory that I could get—the best chemists, the best engineers, and the best psychologists. I would have a first-rate costing system. I would have "scientific management," though I might not use that term. The thing itself would soon become as natural and inevitable as typing or shorthand. Without introducing any nigger-driving methods, I would get the very best out of the American system. The work in my factory should be done in the shortest possible time, yet with the minimum of effort. Men who had studied the question exhaustively should come and help me. Mind! no one should be overworked. No one should be encouraged or allowed to be "too old at 40." But work would be so adjusted that every one would do as much as he honestly could, though no more. If I tried to run my works on the basis of some Government Offices, where it really does not matter whether a job is done this week or next —or this year or next,—I should soon have no works to run.

But every one who entered the factory should learn something of its functions, and of his own relation to the whole. Too often employers say, practically, to the newcomer: "Come along, that is your room; that is your job; you may have to do it for twenty years! The factory around you is really none of your business. Your material comes from somewhere: that is our affair, not yours. Your work is going somewhere—where it goes has nothing to do with you."

That is, to my mind, a stupid attitude. It is neither human nor businesslike. In my factory, I would try to interest every worker not only in his own task, but in the great concern in which he was a unit. I should show him how he was linked to all the other workers, and to the whole world. Why should not every boy and girl—in a Cocoa Works, for example, know something about physiology, the value of cocoa as a food-stuff, the far land it comes from, and its destination?

Again, by charts and diagrams, I would let a worker see, day by day, what progress he was making, even if it were only in the art of cleaning windows. He could compare his skill and speed one day with his skill and speed the day before, and with the

performance of other workers. He could make work into a game instead of drudgery.

Once more, in my dream factory, I would try to do away with the fear of unemployment, and give every worker a sense of economic security. A thoroughly adequate pension scheme, including some provision for the widows and young children of workers, would be an essential part of the program. The whole task would bristle with difficulties, but I would find really able men to help me. I would say to them: "Now, you are thinkers, pioneers, makers of roads. You must study the experiments which have been undertaken all over the world. You must find out what has been done in America, France, Germany. You must 'put me wise,' keep me up-to-date. You must be, as it were, industrial commissioners, working out the problems that face us."

When I had banished fear from the minds of all my workers, I would try to fill them with ambition. I would make bold experiments, even if they sometimes failed. I would avoid the rut—especially the circular rut,—and move forward, and persuade my workers to move with me. I think that in time we should move the world.

(At this stage, the maid came and told me that it was a quarter past five, and that at half past five I had to give my lecture.)

SECTION TWO

MASTERS AND MEN

CHAPTER I

INDUSTRIAL CONFERENCE.—REPORT OF PROVISIONAL JOINT COMMITTEE PRESENTED TO MEETING OF INDUSTRIAL CONFERENCE, CENTRAL HALL, WESTMINSTER, APRIL 4th, 1919

At the Industrial Conference called by the Government and held at the Central Hall, Westminster, on 27th February last, it was resolved:

"That this Conference, being of the opinion that any preventable dislocation of industry is always to be deplored, and, in the present critical period of reconstruction, might be disastrous to the interests of the Nation, and thinking that every effort should be made to remove legitimate grievances, and promote harmony and goodwill, resolves to appoint a Joint Committee, consisting of equal numbers of employers and workers, men and women, together with a Chairman appointed by the Government, to consider and report to a further meeting of this Conference on the causes of the present unrest and the steps necessary to safeguard and promote the best interests of employers, workpeople, and the State, and especially to consider:

"1. Questions relating to Hours, Wages, and General Conditions of Employment;

"2. Unemployment and its prevention;

"3. The best methods of promoting co-operation between Capital and Labor.

"The Joint Committee is empowered to appoint such Sub-Committees as may be considered necessary consisting of equal numbers of employers and workers, the Government to be invited to nominate a representative for each.

"In view of the urgency of the question, the Joint Committee is empowered to arrange with the Government for

the reassembling of the National Conference not later than April 5th for the purpose of considering the Report of the Joint Committee."

A Committee was elected accordingly, and the Government nominated Sir Thomas Munro, K.B.E., to be Chairman.

The first meeting of the Joint Committee, which was addressed by the Prime Minister, was held on March 4th, and the following resolution was carried:

"That this Committee, in order that its work may be accomplished as expeditiously and thoroughly as possible, divide itself into three Sub-Committees, with the following terms of reference:

(1) To make recommendations concerning:
  (*a*) The methods of negotiation between employers and Trade Unions, including the establishment of a permanent Industrial Council to advise the Government on industrial and economic questions with a view to maintaining industrial peace.
  (*b*) The method of dealing with war advances, and
  (*c*) The methods of regulating wages for all classes of workers, male and female, by legal enactment or otherwise.
(2) To make recommendations as to the desirability of legislation for a maximum number of working hours and a minimum rate of wages per week.
(3) To consider the question of unemployment, and to make recommendations for the steps to be taken for its prevention, and for the maintenance of the unemployed in those cases in which it is not prevented, both during the present emergency period, and on a permanent basis.

"Note.—Unrest and output to be discussed by the whole Committee at its next meeting on statements previously submitted by the parties."

The Government were requested to nominate Chairman of the Sub-Committees, and for this purpose the services of Sir David Shackleton, K.C.B., and Professor L. T. Hobhouse, D.Litt., were obtained, in addition to those of Sir Thomas Munro.

The work of the Committee has proceeded almost continuously till the present date. They have not considered it necessary or practicable to take oral evidence, but numerous views and suggestions in writing have been placed before them and considered.

Full information and statistics relating to the subjects under consideration have, at the request of the Committee, been supplied by the Ministry of Labor, the Home Office, and from other sources.

As appears from the terms of reference the Committee were intrusted with the duty of suggesting means whereby dislocation of industry, particularly at the present critical period, should be prevented in the interests of the Nation. It was the expressed opinion of the Conference that to secure this end it was necessary that legitimate grievances should be removed, and that harmony and goodwill should be promoted. The Committee were asked to consider and report upon the causes of the present unrest, and the steps necessary to safeguard and promote the best interests of Employers, Workpeople, and State. In approaching the subject they were specially directed to consider certain specific subjects.

In regard to these specific subjects there was general agreement that there were difficulties affecting hours and conditions of employment, wages, and the methods of their determination; that the whole question of preventing unemployment and providing for its consequence on the individual worker when it did occur called for further provision; and that machinery for promoting co-operation between employers and employees should, where necessary, be revised and improved, and should be extended to include other industries where methods of negotiation and agreement do not at present exist.

At the same time it has been realized that the field of inquiry opened up by the terms of reference is a vast one, and that to explore and report upon it as a whole would require a far closer and more prolonged examination of its numerous aspects, both political and economic, than could be even contemplated by the present Committee in the short period of time allotted to them.

On the causes of industrial unrest and their suggested remedies, the Trade Union representatives submitted a comprehensive memorandum, setting out causes and suggesting remedies. Several questions referred to in this memorandum have been the subject of

consideration by the Committee, and recommendations are made in this report which it is believed will provide effective means to remedy or alleviate certain of the grievances which are advanced.

It has been impossible, however, to attempt any exhaustive investigation into every aspect of unrest, to examine fully the relation between under-consumption and unemployment, between wage standards and purchasing power, the relationship of production to the whole economic and industrial situation, and many other fundamental but complicated matters of discussion. It was the intention of the employers to submit a considered statement on the subject of output or production. They have found it impossible to complete a statement in the time at their disposal, but are prepared to do so at a later date. For the purpose both of carrying on future investigation into matters now affecting the industrial situation and of keeping such matters under continuous review in the future and advising the Government on them, it is the unanimous view of the Committee that there should be established some form of permanent National Industrial Council. The recommendations of the Committee in regard to the functions and constitution of the National Industrial Council which they propose, appear below. It is sufficient at the present stage to record the conclusion of the Committee that such a Council should be instituted, and to point out that in their view matters on which this Committee themselves have been unable to make recommendations would be appropriate subjects for consideration by that Council.

The questions to which special attention has been given by this Committee in the time available are as follows:

(*a*) Maximum hours.
(*b*) Minimum wages.
(*c*) Methods of dealing with war advances.
(*d*) Recognition of, and negotiations between, organizations of employers and workpeople.
(*e*) Unemployment.
(*f*) The institution of a National Industrial Council.

Hours

In regard to Hours the Committee are unanimous in recommending the principle of a legal maximum of normal hours per

week for all employed persons. The number of hours they recommend is 48, but they recognize that this number may be reduced by agreement, and that there are also exceptional cases in which it may be necessary that it should be increased.

They accordingly suggest that legal sanction should be given to trade agreements for the reduction of hours, and that under certain conditions similar sanction might be given to such agreements for the augmentation of hours. They propose that if there be a desire for variation expressed by one party only, a conference should be summoned, whose decision should, under ordinary circumstances, receive legal sanction.

They have not deemed it possible within the time at their disposal, nor did they feel competent, to draw up a list of proposed exemptions, but they consider that an interval should elapse after the passing of the Act in which applications for exemptions should be made and that inquiry should then take place into each case, and the application of the Act should, if necessary, be postponed in any particular case until the completion of such inquiry.

Thus some occupations may be altogether exempted from the Act, while in others the maximum may be varied in either direction by agreement between the parties.

The Committee's detailed recommendations under this head are as follows:

Maximum to be specified in Act

1. That the maximum normal working hours per week should be 48, and that this maximum should be established by Act of Parliament.

Act to be of General Application

2. That the Act shall apply generally to all employed persons, but that provision shall be made for exemption from or variation of the terms of the Act to be granted in proper cases, as follows:

Agreement to Substitute Lower Maximum

3. That where an agreement has been arrived at between representative organizations of employers and employed in any trade and by such agreement provision is made that the number of working hours per week for that trade shall be lower than the maximum established under the Act, the Secretary of State or

other appropriate Minister shall, if he has no reason to deem it contrary to the public interest, make an Order prescribing the lower number of hours as the maximum for that trade.

Agreement to Substitute Higher Maximum

4. That where an agreement has been arrived at between representative organizations of employers and employed in any trade and by such agreement provision is made that the number of working hours per week for that trade shall be higher than the maximum established under the Act, the Secretary of State or other appropriate Minister shall, if he has no reason to deem it contrary to the public interest, make an Order prescribing for the trade, the number of hours specified in the place of the maximum established under the Act.

Application by one Party only for Variation of Maximum

5. That where in any trade representative organizations of either employers or employed are desirous that the hours established under the Act or an Order should be varied (either by way of decrease or increase), and no joint representation has been made in accordance with the two preceding paragraphs, the Secretary of State or other appropriate Minister shall, on a request in writing of the representative organizations of either the employers or the employed concerned, summon a Conference of representatives of such organizations to consider the advisability of the provisions of the Act being varied in order to meet the requirements of the particular trade in respect of which the request is made, and in the event of a substantial agreement being reached as the result of such conference an Order may be made by the Minister in accordance with the provisions of the two preceding paragraphs.

Provision for Variation or Exemption by Order

6. That where in special trades an application is made for variation of the number of hours established by the Act and no agreement is arrived at in the trade, or where an application is made for total or partial exemption from the Act, provision should be made under the Act whereby, after consultation with the National Industrial Council, a competent authority shall inquire into the application and, where special necessity is proved, the Secretary of State or other appropriate Minister may by order

grant the application: provided that (*a*) where such variation or exemption is granted the competent authority may attach conditions thereto, and (*b*) variation under this clause shall be granted only where no agreement has been arrived at under preceding paragraphs.

Provision respecting Orders Varying the Number of Hours

7. That Orders substituting in any trade a number of hours beyond that established under the Act shall not be made unless and until the appropriate authority is satisfied either that the rate of wages payable in the trade is fixed on such a basis as to take into account, for payment at an enhanced rate, any extra hours worked, or that provision is made for the payment, as overtime, of all hours worked over 48 in accordance with the provisions of paragraph 10 below.

Provision for Publication of Orders

8. Before any Order becomes operative it shall be published for a period of (say) one month to allow of objections being made by either side. In default of such objections the Order shall become operative on the date named. If substantial objection is made, the Secretary of State or other appropriate Minister shall not make the Order until he has caused public inquiry to be held.

Reference to Trade Boards

9. In any trade for which a Trade Board has been established, any proposal to vary the maximum hours shall be brought before the Trade Board for report.

Overtime

10. Overtime, especially systematic overtime, should be discouraged, but it is recognized that in certain circumstances overtime is unavoidable. The extent of overtime to be allowed in any trade, and the conditions under which it may be worked, shall be determined under the procedure laid down in the preceding clauses for variation or exemption from the terms of the Act, either (*a*) by the representatives of the Trade or (*b*) in the less organized trades by the Trade Board, or, in default of either, by the Secretary of State or other appropriate Minister, in accord-

ance with general principles laid down by the Minister on the advice of the National Industrial Council.

Overtime, when worked, shall be computed and paid for in accordance with the custom of each particular trade in the several districts concerned, provided that overtime shall in no case be paid for at less than time and a quarter. Subject to agreements and Orders made under the provisions of Clauses 4, 5, and 6, no person shall be required to work more than 48 hours without overtime payment.

Night Shift, Sunday, and Holiday Work

11. The Committee are of opinion that in any arrangement as to hours and overtime pay the question of night shift and Sunday and holiday work should receive special consideration by the National Industrial Council.

Date of Act Coming into Operation

12. That the Act should not come into operation until the expiry of six months from its date, and that in respect to a particular trade, where an inquiry under Clause 6 is pending or in progress, the appropriate Minister shall have power by Order to suspend the operation of the Act for a further period not exceeding three months.

Wages

The Committee have agreed that minimum time-rates of wages should be established by legal enactment, and that they ought to be of universal applicability. The Committee took full cognizance both of the difficulties of determining on particular rates and of dealing with exceptional cases. Having these considerations in mind, they make the following recommendations:

1. Minimum time-rates of wages should be established by legal enactment and should be universally applicable.

2. A Commission should be appointed immediately upon the passing of the Act to report within three months as to what these rates should be, and by what methods and what successive steps they should be brought into operation. The Commission should advise on the means of carrying out the necessary administrative work.

3. In the meantime Trade Boards should be established forthwith in the various less organized trades where they do not already exist.

4. The Commission should review the Trade Boards Acts, especially with the object of facilitating and expediting as far as possible the procedure in fixing and applying minimum rates.

5. The Minister of Labor, on the recommendation of the proposed National Industrial Council, shall appoint the Commission, which shall consist of an equal number of representatives of Employers' Associations and Trade Unions, with a Chairman nominated by the Government.

6. The Commission shall give adequate public notice of its proposed findings and shall hear representatives of any trade that may desire to be heard.

7. Where an agreement is arrived at between representative organizations of Employers and Trade Unions in any trade laying down a minimum rate of wages, the Minister of Labor shall have power, after investigation, to apply such minimum rate, with such modification as he may think fit, to all employers engaged in the trade falling within the scope of the agreement.

NOTE.—*The expression "trade" used in the above proposals relating to maximum hours and minimum wages includes industry, branch of trade or industry, occupation, or special class of workers, whether for the whole country or a special area.*

In regard to the methods of dealing with war advances the Committee recommend:

(1) That the Wages (Temporary Regulation) Act, 1918, should be continued in force for a further period of six months from 21st May, 1919.

(2) That the interim Court of Arbitration constituted under that Act should hold an inquiry—sitting as a special court for the purpose—as to the war advances which have been granted, and the manner in which they have been granted, whether by way of increase, of time rates or piecework prices or by way of war bonus, or other-

wise, and as to the effect of the 12½ per cent bonus to timeworkers, and the 7½ per cent to pieceworkers, and should determine finally how these advances should be dealt with, and in particular whether they should be added to the time rates or piecework prices, or should be treated separately as advances given on account of the conditions due to the war.

Where machinery for negotiation exists in any trade or industry no action shall be taken by the Interim Court of Arbitration affecting such a trade or industry unless and until such existing machinery, having been put into operation with a view to arriving at a settlement by agreement between the trade unions and employers' organizations concerned, fails to arrive at an agreement by the 1st September, 1919.

Where no machinery for negotiation exists in any trade or industry, trade conferences representing the trade unions and the employers concerned shall be called by the Ministry of Labor within two months from 4th April, 1919, and no action shall be taken by the Interim Court of Arbitration unless such conferences shall within that time have failed to arrive at an agreement, in which case the Court shall consider and determine the difference under the powers conferred by the Wages (Temporary Regulation) Act.

(3) That the parties should consider the desirability of instituting procedure for a national periodical review of the wages of the trade of the country as a whole.

Methods of Negotiation between Employers and Trade Unions

On the subject of methods of negotiation between employers and workpeople, the Committee recognized the importance of establishing an understanding on the question of "recognition." Their opinion is as follows:

(*a*) The basis of negotiation between employers and workpeople should, as is presently the case in the chief industries of the country, be the full and frank acceptance of the employers' organizations on the one hand and trade

unions on the other, as the recognized organizations to speak and act on behalf of their members.

(*b*) The members should accept the jurisdiction of their respective organizations.

(*c*) The employers' organizations and the trade unions should enter into negotiations for the purpose of the establishment of machinery or revision, if necessary, of existing machinery, for the avoidance of disputes, and the machinery should provide, where in any question at issue there are more than one employers' organization or trade union representing the same class of employers or workpeople, a representative method of negotiation, so that settlements arrived at will cover all parties concerned. The machinery should also contain provisions for the protection of the employers' interests where members of trade unions of workpeople are engaged in positions of trust or confidentiality, provided the right of such employees to join or remain members of any trade union is not thereby affected.

Unemployment

The Committee feel that a satisfactory investigation of the problem of unemployment would involve a far-reaching inquiry, and in the limited time at their disposal they have not felt able to do more than indicate briefly some of the steps which might be taken to minimize or alleviate unemployment.

(*a*) *Prevention of Unemployment*

1. *Organized Short Time.*—It is already the practice in a large number of trades to meet periods of depression by systematic short time working. The Committee think that this method of avoiding displacement of labor and the consequent risk and inconvenience to the workpeople concerned has considerable value. In this connection, they suggest that the machinery of the Joint Industrial Councils or other joint representative bodies in each industry affords a convenient method of controlling and regulating short time working as a means of preventing unemployment.

Regard should be had at the same time to paragraph 8 below.

2. *Overtime.*—During periods of depression in an industry, overtime should only be worked in special cases which should be determined in accordance with rules laid down in the case of each industry by its Industrial Council or other joint representative body.

3. *Stabilizing Employment.*—In order to provide against the fluctuating demand for labor the Committee think that the Government should undertake the definite duty of stimulating the demand for labor in bad times by postponing contracts of a non-urgent character until it is necessary to promote a demand for labor owing to falling trade. For this purpose in allocating Government orders consideration should of course be given to the circumstances of the industry concerned. The Committee are of opinion that much more effective action could be taken if all orders for particular classes of commodities were dealt with by one Government Department. It would further be an advantage in order that the policy which they have indicated should be carried out that all Government contracting should be supervised by one authority. Local authorities should be urged to adopt a similar policy with regard to work under their control.

4. *Housing.*—In order to meet the present crisis the Committee recommend that the Government should without delay proceed with a comprehensive housing program in order to meet the acknowledged shortage of houses. By this means employment would be secured primarily in the building and furnishing trades, and indirectly in almost all other trades. The Committee urge that where local authorities fail to utilize their powers to provide suitable housing accommodation, the Local Government Board should take the necessary steps for the erection of suitable houses in the area of the Authority and under special powers if necessary compel local authorities to act in accordance with the housing needs of the district.

5. *State Development of Industry.*—The demand for labor could also be increased by State development of new industries such as Afforestation, Reclamation of Waste Lands, Development of Inland Waterways, and in agricultural districts the development of light railways and/or road transport. These are some of the measures which in the opinion of the Committee might be adopted as a means of permanently increasing the demand for labor.

6. *Under-consumption and Higher Production.*—Whilst the Committee recognize that these questions have a most important bearing on the problem of unemployment, they are agreed that their importance is such as to demand that far closer consideration should be given to them than can be given by this Committee, and it has already been indicated in an earlier paragraph of this report that this is a matter which might appropriately be the subject of consideration by the National Industrial Council.

7. *Efficacy of Industrial Councils.*—The Committee feel that, in regard to unemployment, as well as for other purposes, the institution of Industrial Councils or similar joint representative bodies will develop a sense of common responsibility amongst employers and employed, and that it will provide machinery through which the trade, acting as a whole, can in many ways minimize or prevent unemployment. In particular such Councils would be in a position to collect information and make necessary adjustments in an organized way to meet the ebb and flow of trade.

(*b*) *Maintenance of Unemployed Workpeople*

8. *Provision of Maintenance.*—The Committee are unanimous in their view that the normal provision for maintenance during unemployment should be more adequate and of wider application than is provided by the National Insurance (Unemployment) Acts. They think, moreover, that whatever may be the basis of the scheme ultimately adopted, it should include provisions for under-employment as well as for unemployment.

9. *Education and Training.*—Whether provision for unemployment is made on a contributory or non-contributory basis, the Committee think that it is very desirable that the scheme should include provisions for enabling the workers, whilst unemployed, and in receipt of unemployment benefit, to get access, without payment of fees, to opportunities for continuing their education and improving their qualifications. This is specially desirable in the case of young persons. It should be the normal arrangement for young persons, that whenever unemployed, they should be required to continue their education at centers where such facilities are provided by the Local Education Authority.

10. *Domestic Employment for Married Women and Widows.*—The effect on the labor market of the employment of married women and widows, particularly those who have young children,

was brought forward, but owing to the fact that the Committee had no official information at their disposal, they felt they were unable to express an opinion without having full particulars of the circumstances and conditions under which the employment of mothers is carried on. The Committee feel that the subject is so important that a special inquiry should be immediately instituted to investigate the whole matter, and thereafter submit a report.

11. *Limitation of Child Labor.*—The Committee are of opinion that child labor is bad in principle, and in practice tends to decrease the chances of adult employment. For these reasons, without going into details, the Committee think that the age at which a child should enter employment should be raised beyond the present limit.

12. *Sickness Benefit and Old Age Pensions.*—The opinion of the Committee is that the amount of sickness and infirmity benefits should be examined with a view to more generous provisions being made.

In regard to Old Age Pensions, they consider that the age of qualification should be reduced, that more liberal allowance should be paid, and that the disqualification in respect of income should be modified.

The Committee feel that these questions require immediate consideration, and they urge the necessity of appointing a Committee to investigate them and report.

National Industrial Council

As already indicated in this report, the Committee are impressed with the importance of establishing without delay some form of permanent representative National Industrial Council.

The considered views of the Committee are as follows:

Preamble

A National Industrial Council should not supersede any of the existing agencies for dealing with industrial questions. Its object would be to supplement and co-ordinate the existing sectional machinery by bringing together the knowledge and experience of all sections and focussing them upon the problems that affect industrial relations as a whole. Its functions, therefore, would be advisory.

Such a Council would have to be large in order to give due representation to all the industrial interests concerned; at the same time, it should be as small as is consistent with an adequate representative basis. Since in any case it would be too large for the transaction of detailed business, a Standing Committee, large enough to insure that it will not be unrepresentative, will be needed. The Council must be elected, not nominated, otherwise its authority will not be adequate to the proper discharge of its functions. The method of election must be determined by each side for itself, subject to two conditions: first, that the members must be representative of organizations, not of individual employers or workpeople; and, second, that the organizations concerned adopt such a method of election or appointment that their nominees can be regarded as fully representative.

In order that the Council may have the necessary independent status and authority if it is to promote industrial peace, the Government should recognize it as the official consultative authority to the Government upon industrial relations, and should make it the normal channel through which the opinion and experience of industry will be sought on all questions with which industry as a whole is concerned.

In addition to advising the Government the Council should, when it thought fit, issue statements on industrial questions or disputes for the guidance of public opinion.

Objects

To secure the largest possible measure of joint action between the representative organizations of employers and workpeople, and to be the normal channel through which the opinion and experience of industry will be sought by the Government on all questions affecting industry as a whole.

It will be open to the Council to take any action that falls within the scope of its general definition. Among its more specific objects will be:

(*a*) The consideration of general questions affecting industrial relations.

(*b*) The consideration of measures for joint or several action to anticipate and avoid threatened disputes.

(*c*) The consideration of actual disputes involving general questions.

(*d*) The consideration of legislative proposals affecting industrial relations.

(*e*) To advise the Government on industrial questions and on the general industrial situation.

(*f*) To issue statements for the guidance of public opinion on industrial issues.

Constitution

I. The Council

1. The Council shall consist of four hundred members fully representative of and duly accredited by the Employers' organizations and the Trade Unions, to be elected as to one half by the Employers' organizations and as to one half by the Trade Unions.

2. Subject to the conditions stated in Clause 1, the method of election and allocation of representatives shall be determined by each side for itself. The scheme proposed by the Trade Union members of the Committee for the election of Trade Union representatives is shown in the Appendix to this report.

3. Members of the Council shall retire annually, and shall be eligible for re-election by the organizations which they represent. Casual vacancies may be filled by the side in which the vacancy occurs, any member so appointed to sit until the end of the current year.

4. The Council shall meet at least twice a year, and in addition as often as the Standing Committee hereafter referred to deem to be necessary.

5. The Minister of Labor for the time being shall be President of the Council and shall, when possible, preside at its meetings. There shall be three Vice-Presidents, one appointed by the Government to be Chairman of the Standing Committee hereafter referred to, one elected by and from the Employers' representatives on the Council, one elected by and from the Trade Unions' representatives. In the absence of the President, the Chairman of the Standing Committee shall preside, in his absence one of the other Vice-Presidents.

The Chairman of the Committee shall be a whole-time officer,

and shall have associated with him two secretaries, one appointed by the Employers' representatives on the Council, one appointed by the Trade Unions' representatives.

6. *Voting.*—The two sides of the Council shall vote separately, and no resolution shall be declared carried unless approved by a majority of those present on each side. Each side shall determine for itself the method of voting.

7. *Finance.*—The expenses of the Council, subject to sanction by the Treasury, shall be borne by the Government.

8. The Council shall be empowered to make Standing Orders for the conduct of its business.

II. The Standing Committee

1. There shall be a Standing Committee of the Council, consisting of 25 members elected by and from the Employers' representatives of the Council, and 25 members elected by and from the Trade Union representatives.

2. The method of election of members shall be determined by each side of the Council for itself.

3. The Standing Committee shall be empowered to take such action as it deems to be necessary to carry out the objects of the Council. It shall consider any questions referred to it by the Council or the Government, and shall report to the Council its decisions.

4. The Standing Committee shall be empowered to appoint an Emergency Committee and such Sub-Committees as may be necessary.

5. The Standing Committee shall be empowered to co-opt representatives of any trade not directly represented upon it for the consideration of any question affecting that trade.

6. The Standing Committee shall meet as often as may be necessary, and at least once a month.

7. The Government shall appoint a Chairman to the Standing Committee, who shall preside at its meetings, but shall have no vote. There shall be two Vice-Chairmen, one elected by and from the Employers' representatives on the Committee, and one by and from the Trade Union representatives. In the absence of the Chairman, the Vice-Chairmen shall preside in turn.

8. The Standing Committee, with the consent of the Treasury,

shall be empowered to appoint such secretaries and other officers as may be necessary for the conduct of its business.

9. The Standing Committee shall be empowered to make Standing Orders for the conduct of its business.

10. *Finance.*—The expenses of the Standing Committee shall, subject to sanction by the Treasury, be borne by the Government.

Reference Clause

If any question arises as to the meaning or intention of this Report, it should be referred for consideration to the National Industrial Council.

SUMMARY

The views of the Committee on the questions with which they have been able to deal in the time at their disposal, may be summarized as follows:

Hours

(*a*) The establishment by legal enactment of the principle of a maximum normal working week of 48 hours, subject to—

(*b*) Provision for varying the normal hours in proper cases, with adequate safeguards.

(*c*) Hours agreements between employers and trade unions to be capable of application to the trade concerned.

(*d*) Systematic overtime to be discouraged and unavoidable overtime to be paid for at special rates.

Wages

(*a*) The establishment by legal enactment of minimum time-rates of wages, to be of universal applicability.

(*b*) A Commission to report within three months as to what these minimum rates should be.

(*c*) Extension of the establishment of Trade Boards for less organized trades.

(*d*) Minimum time-rates agreements between employers and trade unions to be capable of application to all employers engaged in the trade falling within the scope of the agreement.

(*e*) Wages (Temporary Regulation) Act, 1918, to continue for a further period of six months from 21st May, 1919.

(*f*) Trade Conferences to be held to consider how war advances and bonuses should be dealt with, and, in particular, whether they should be added to the time-rates or piecework prices or should be treated separately as advances given on account of the conditions due to the war.

Recognition of, and negotiations between, organizations of employers and workpeople

(*a*) Basis of negotiation between employers and workpeople should be full and frank acceptance of employers' organizations and trade unions as the recognized organizations to speak and act on behalf of their members.

(*b*) Members should accept the jurisdiction of their respective organizations.

(*c*) Employers' organizations and trade unions should enter into negotiations for the establishment of machinery, or the revision of existing machinery, for the avoidance of disputes, with provision for a representative method of negotiation in questions in which the same class of employers or workpeople are represented by more than one organization respectively, and for the protection of employers' interests where members of trade unions of workpeople are engaged in positions of trust or confidentiality, provided the right of such employees to join or remain members of any trade union is not thereby affected.

Unemployment

(1) *Prevention of Unemployment*

(*a*) Organized short time has considerable value in periods of depression. The joint representative bodies in each trade afford convenient machinery for controlling and regulating short time.

(*b*) Government orders should be regulated with a view to stabilizing employment.

(*c*) Government housing schemes should be pressed forward without delay.

(*d*) Demand for labor could be increased by State development of new industries.

(2) *Maintenance of Unemployed Workpeople*

(*e*) Normal provision for maintenance during unemployment should be more adequate and of wider application, and should be extended to under-employment.

(*f*) Unemployed persons, and particularly young persons, should have free opportunities of continuing their education.

(*g*) The employment of married women and widows who have young children should be subject of a special inquiry.

(*h*) The age at which a child should enter employment should be raised beyond the present limit.

(*i*) Sickness and Infirmity Benefits, and Old Age Pensions require immediate investigation with a view to more generous provisions being made.

National Industrial Council

(*a*) A permanent National Industrial Council should be established to consider and advise the Government on national industrial questions.

(*b*) It should consist of 400 members, 200 elected by employers' organizations, and 200 by trade unions.

(*c*) The Minister of Labor should be President of the Council.

(*d*) There should be a Standing Committee of the Council numbering 50 members, and consisting of 25 members elected by and from the employers' representatives, and 25 by and from the trade union representatives, on the Council.

There has been apparent throughout the proceedings an earnest anxiety on the part of the representatives, both of employers and employed, to approach the subjects of their discussion in a spirit of mutual accommodation so as to arrive at a satisfactory settlement of outstanding difficulties. The Committee confidently believe that if effect is given to the recommendations now made, and if the same spirit that has characterized the deliberations of the Committee actuates the future consideration of other difficulties that exist or may arise, much will have been done to pro-

mote that spirit of mutual confidence which is a first essential to the effective and successful conduct of industry in the interests of employers and employed and the nation generally.

In conclusion, the Committee desire to say that they welcome the steps now being taken in the direction of International regulation of labor conditions, as they believe that a satisfactory adjustment of labor conditions on an International basis will have a beneficial effect on industrial problems in this country.

THOS. MUNRO,
Chairman.
ALLAN M. SMITH,
Chairman of Employers' Representatives.
ARTHUR HENDERSON,
Chairman of Trade Union Representatives.

C. S. HURST,
Secretary.

APPENDIX

PROVISIONAL SCHEME FOR TRADE UNION REPRESENTATION ON THE NATIONAL INDUSTRIAL COUNCIL

1. Each Union with more than 20,000 members is entitled to separate representation on the following basis—one representative for each complete 20,000 members up to 100,000, and one representative for each further 50,000 after the first 100,000.

2. Any federation may, with the consent of the Unions forming the federation, be represented on the same numerical basis, provided that no Union's membership may be counted twice over in whole or in part, whether through two federations or once through a federation and once on its own behalf.

3. The Societies are grouped in the following 20 groups:

(1) Mining and Quarrying.
(2) Railways.
(3) Other Transport.
(4) Iron and Steel Trades.
(5) Engineering and Foundry Workers.
(6) Shipyards.

(7) Building and Woodworking.
(8) Printing and Paper.
(9) Cotton.
(10) Other Textiles.
(11) Boot and Shoe and Leather.
(12) Clothing.
(13) Food Trades.
(14) Distributive Trades.
(15) Agriculture.
(16) Clerks and Agents.
(17) Government Employees.
(18) General Labor.
(19) Women Workers.
(20) Miscellaneous Trades.

CHAPTER II

ORGANIZED PUBLIC SERVICE IN THE BUILDING INDUSTRY

BEING THE INTERIM REPORT OF THE COMMITTEE OF SCIENTIFIC MANAGEMENT AND REDUCTION OF COSTS, APPOINTED BY THE INDUSTRIAL COUNCIL FOR THE BUILDING INDUSTRY

THE COMMITTEE

The Committee consisted of the following members:

Employers

Mr. R. B. CHESSUM.....London Federation of Building Trades Employers.
" J. P. COX, J.P. .....Institute of Plumbers.
" T. FOSTER .....North Western Federation of B.T.E.
" T. GRAHAM .....Scottish National Building Trades Federation.
" H. T. HOLLOWAY ....London Federation of B.T.E.
" S. SMETHURST, J.P. ..North Western Federation of B.T.E.
" J. F. TURNER .....Scottish National Building Trades Federation.
" F. G. WHITTALL .....Midland Federation of B.T.E.

Operatives

Mr. J. ARMOUR .....Operative Stonemasons' Association (Scotland).
" W. CROSS .....Amalgamated Slaters Society of Scotland.
" J. H. EDMISTON[1].....Operative Plumbers and Domestic Engineers.
" T. GREGORY .....Manchester Unity of Operative Bricklayers.
" R. JONES .....United Order of General Laborers of London.
" H. J. WALKER .....Amalgamated Society of Carpenters, Cabinet Makers, and Joiners.
" W. WILLIAMS .....Operative Stonemasons' Society.

[1] Mr. Edmiston retired owing to ill health, and was consequently present at none of the meetings.

Councilor R. Wilson ....Amalgamated Slaters and Tilers Provident Society.

Co-opted

Mr. Malcolm Sparkes was co-opted a member of the Committee on April 9th, 1919.

INTERIM REPORT

To J. Storrs, Esq., J.P. (*Chairman*),
The Industrial Council for the Building Industry

Sir,

We have the honor to submit the following Interim Report on Organized Public Service in the Building Industry.

Introduction

1. This Committee was appointed to consider the question of Scientific Management and Reduction of Costs with a view to enabling the Building Industry to render the most efficient service possible.

2. The terms "Scientific Management and Reduction of Costs" do not at first sight suggest any very far-reaching inquiry, but we decided unanimously at our first meeting that if we were to do any really useful work we must review the whole structure of the building industry in order to bring forward recommendations that would be of real service.

3. Although in the fabric of our industrial order, the material and the human sides are so intimately interwoven that it is impossible completely to separate them, we found it useful to set up two sub-committees to specialize respectively on the twin subjects of production and distribution of the product. The recommendations of these two groups have been reviewed by the full committee, and are combined in the document we now present.

4. As our investigation proceeded, we became more and more impressed with the immense possibilities lying latent in the new system of industrial self-government implied in the constitution

of our Industrial Council, and we believe that, given the vision, the faith and the courage, our industry will be enabled to lead the way in the industrial and social re-adjustments that are imminent.

We have glimpsed the possibility of the whole Building Industry of Great Britain being welded together into one great self-governing democracy of organized public service, uniting a full measure of free initiative and enterprise with all the best that applied science and research can render. The whole trend of modern industrial development is already setting in this direction. We have now much valuable experience of control by the State, by the municipality, by the co-operative organizations of consumers, by the joint stock company, and by individual private enterprise. Most of these forms of control offer advantages, but each of them presents serious defects.

5. We believe that the great task of our Industrial Council is to develop an entirely new system of industrial control by the members of the industry itself—the actual producers, whether by hand or brain—and to bring them into co-operation with the State as the central representative of the community whom they are organized to serve. Nothing short of this will produce the full development of the "team spirit" in industry, which is the key to the whole problem of production; nothing short of this is worthy of the high ideals for which our Industrial Council stands. But such a reconstruction of our industrial fabric cannot be achieved in a day. There are many problems that require patient experiment, and experience must be purchased in the school of trial and error. Our hope for the future lies in the liberation and right direction of men's true generous qualities of goodwill, enthusiasm, and adventure. They must be our constant guide, and no fear of risks that seem to be involved must allow us to deny them.

6. The recommendations that we now bring forward are therefore based upon their immediate availability, and are designed to lay the foundation of an industrial system which, while giving full play to individual enterprise and complete freedom from the benumbing hand of bureaucracy, shall yet tend to develop that sense of comradeship and solidarity that is so essential for efficient service.

We believe that they will be much improved by full discussion

and frank criticism in the Council, and we submit them in the belief that if our industry will give a clear and courageous lead in the direction we have tried to indicate, its example will be of the greatest possible service to our country at this critical time of transition.

The Problem Stated

7. It became clear at a very early stage that there are four main factors that tend to the restriction of output. They are:

(*a*) The fear of unemployment.
(*b*) The disinclination of the operatives to make unrestricted profit for private employers.
(*c*) The lack of interest in the industry evidenced by operatives owing to their non-participation in control.
(*d*) Inefficiency, both managerial and operative.

8. We begin then with the question of employment.

In a report such as this it seems unnecessary to elaborate the well-known seasonal difficulties with which our industry is confronted. We therefore immediately proceed to indicate the lines of remedy.

The Regularization of Demand

9. The aim we have in view is the development of the highest possible efficiency in a well organized building service. To this end we consider it essential that the whole productive capacity of the industry should be continuously engaged and absorbed, and that a regular flow of contracts should replace the old haphazard alterations of congestion and stagnation.

It is well-known that the proportion of public to private work is very considerable, and that it is well within the powers of public authorities to speed up or to delay contracts. We therefore recommend:

(*a*) That the Industrial Council shall set up a permanent Committee entitled The Building Trades Central Employment Committee, with the necessary clerical staff.
(*b*) That each Regional Council shall similarly set up a Building Trades Regional Employment Committee.

(*c*) That each Local or Area Council shall similarly set up a Building Trades Area Employment Committee.

(*d*) That each Committee shall consist of an equal number of employers and operatives with one architect appointed by the local professional Association of Architects or by the R. I. B. A., as may be most appropriate.

10. The first duty of these committees would be to regularize the demand for building.

(*a*) At the approach of slack periods, by accelerating new building enterprises, both public and private, with the co-operation of architects and local authorities.

(*b*) Conversely, at periods of congestion, by advising building owners to postpone the construction of such works as are not of an urgent character.

11. Except when modified by special arrangements we recommend that the Central, Regional, and Area Employment Committees should co-operate with the appropriate State, county or district authorities.

Although we propose that these Committees should consist of producers only, we contemplate the fullest possible co-operation with the Government and local authorities at every stage, not only because they are important customers, themselves, but also because they are the duly elected representatives of the consuming public.

12. We recognize that such a scheme would involve some measure of restraint upon individual employers and realize that the small non-federated employer would be an obstacle to its ordered working, but we are convinced that combined pressure by members of the Building Trades' Parliament or its constituents should eventually overcome this obstacle. Such spreading over of work from year to year and season to season will not of itself solve the whole problem of providing a steady stream of work.

The Decasualization of Labor

13. We recommend that the second main function of the Local Employment Committee shall be the decasualization of labor, and the difficulty of providing employment during wet and bad seasons has yet to be faced. We feel that a certain amount of investiga-

tion is still needed in this direction and venture to suggest that the Building Trades' Parliament should approach the representatives of other industries and public authorities with a view to investigating the possibility of "dove-tailing" or seasonal interchange of labor.

There would appear to be a large volume of national and private work which could be undertaken when the industry itself could not usefully employ all its available labor, for example:

(*a*) Afforestation.
(*b*) Roadmaking.
(*c*) The preparation of sites for housing schemes.
(*d*) Demolition of unsanitary or condemned areas in preparation for improvements.

14. The question of the method of paying men so engaged in other occupations in bad seasons will be considered later in relation to the scheme we are recommending for the provision of unemployment pay.

15. When all other methods of providing steady and adequate employment for the operatives have been exhausted, then the industry is faced with the question of its responsibility toward its employees during possible periods of unemployment. We are convinced that the overhanging fear of unemployment must be finally removed before the operative can be expected whole-heartedly to give of his best. Considerations of humanity and efficiency alike, therefore, demand that provision shall be made by the industry itself adequately to maintain the operative and his family during any period of unemployment arising from causes outside his control.

This accomplished, we believe that the whole atmosphere of industry will experience a great and vitalizing change, and that efficiency of production will be much increased.

16. We accordingly suggest that termination of employment upon any job should be subject to one week's notice instead of one hour (except in the case of a strike or lock-out) and that the local Employment Committee should be immediately notified of such approaching terminations and also of all vacancies occurring.

The machinery for filling vacancies already exists in the trade union organization and should be developed to the greatest pos-

sible extent, in order to supplement the State Employment Exchanges, so far as the building industry is concerned.

Unemployment Pay

17. We further recommend that in cases of unavoidable unemployment, the maintenance of its unemployed members shall be undertaken by the industry through its Employment Committees, and that the necessary revenue should be raised by means of a fixed percentage on the wages bills and paid weekly to the Employment Committee by each employer on the joint certificate of himself and a shop steward or other accredited trade union representative.

18. The amount of the percentage charge necessary to raise funds for the maintenance of members unavoidably unemployed will naturally depend upon the amount of the State subsidy for the purpose, and also upon the efficiency of the Employment Committees in the matter of:

(*a*) Regularization of demand, and
(*b*) Decasualization of labor,

but it is already evident from past experience that the percentage will certainly be small, and that a charge of 5 per cent would probably be more than ample. An estimate of the revenue required for the coming year should be laid before the Industrial Council annually and the rate of percentage fixed accordingly.

19. While the collection of this revenue should be carried out by the Employment Committees, the payments should be made by periodical refund to the trade unions, who would thus become an important integral part of the official machinery and would distribute the unemployment pay in accordance with the regulations prescribed by the Industrial Council and its Committees.

20. Every duly registered member when prevented, for a period to be fixed, from working at the proper craft at the full standard rates of the district, should be entitled to unemployment pay, whether the cause be sickness, accident, shortage of work, or stress of weather. In all cases the amount would be inclusive of any benefit under the State and Trade Unions schemes.

21. We further recommend that every registered member should be entitled to one week's summer holiday pay per annum, and at

the same scale and from the same fund as the unemployment pay.

22. For purpose of this scheme "Members of the Industry" would be trade unionists engaged therein, including the clerical, technical and managerial staffs, who register with the Employment Committees for participation.

23. During unemployment all men should receive half their full wage, supplemented in the case of a married man by one-tenth of his full wage for his wife and each of his children up to four children, under sixteen years of age. When the industry becomes responsible in this way for unemployment pay, apart from the contributions which it already has to pay under the State Unemployment schemes, then two essential conditions must be fulfilled: (1) The workers by more concentrated effort must increase efficiency beyond the present standard; and (2) Management and Capital must consent to a limitation being imposed upon their earnings, and should be prepared to adopt methods on their side which will lead to greater output.

We have attempted thoroughly to explore all possible objections to the scheme which we are advocating, but the difficulties are not sufficiently serious to shake our conviction that with increasing goodwill will come higher production, and with better management increasing surplus will be available.

24. The Unemployment Scheme recommended will perform two functions at least. It will go far to secure the complete goodwill of the operative and make unnecessary certain restrictions which exist, either tacitly or otherwise, on output; and, secondly, by absorbing a certain amount of the surplus earnings of the industry, it should tend to meet the disinclination on the part of the operatives to make unrestricted profit for private employers.

25. It has already been recommended that during bad seasons operatives should be encouraged to accept work in other occupations rather than unemployment pay. The question of remuneration under such arrangements requires further consideration, and we hope to deal with this in a later report.

26. It is hoped that this scheme will be so satisfactory that it will be finally possible to relieve employers of their liability under the Workmen's Compensation and the Employers' Liability Acts, and to supersede all Trade Union Sickness and Unemployment Benefits, and that the industry will obtain powers to contract out

of the State scheme. The danger of fraudulent claims upon the Unemployment Fund has not been overlooked, but we believe that ample safeguards will be found in the utilization of the trade union organization for the payment of the money and of the existing employment exchange facilities for registration of the unemployed. Moreover, fraudulent claims cannot easily be put forward, because unemployment will only result when the scheme for the regularization of employment has failed to absorb any more labor.

The principle of Joint Committees to act as trustees for such a fund does not appear to need any defense.

27. We frankly recognize here that we are again faced with the fundamental difficulty that there still exist in the industry large numbers of small non-federated employers, and on the other hand operatives who are not trade unionists. Nevertheless, we feel that the benefits of such a scheme will have a very material effect in inducing employers and operatives to come into their respective associations.

The Wages of Management

28. At this point it is necessary to state that the first question discussed by the Committee was the possibility of the adoption by individual firms of some scheme of profit-sharing or co-partnership which would abolish the second factor limiting output. It immediately became clear, however, that such schemes secure no backing, either by the trade union representatives or by the majority of the operatives. All such methods of payment are strictly forbidden in the rules of most trade unions in the industry. Hitherto the reasons of this objection have been:

(1) The fear of increased unemployment.
(2) The fear of disintegrating influences being introduced among the workers, thus weakening the authority of the trade unions.
(3) The difficulty of applying most methods of payment by results to the peculiar conditions of the building industry.

29. But it was found that the trade unions involved would be prepared to reconsider their attitude if the surplus earnings of the industry went not to individuals but to some common service controlled by the industry as a whole.

30. This brought us immediately to the consideration of the wages of management. Here we were immediately faced with the peculiarly difficult organization of the building industry. The ease with which small businesses can be started with little or no capital, makes it possible for many employers to carry on in the dual capacity of manager and owner. Many of these men have no proper system of accountancy or audit, and would be quite unable, if asked, to differentiate between the wages of management and the interest on their capital. Many of such concerns are exceedingly unstable and, as is well known, are often a source of considerable discredit and danger to the industry. In the larger firms the managers are again usually principally concerned in the ownership of the business, and, therefore, in view of the limitation of the rate of interest on their capital, which we recommend in the next section, they are directly and intimately concerned with the salaries they would receive as managers. Thus, in any attempt to fix some scale of remuneration for the different types of management we are at once faced with the difficulty of the proper determination of an adequate salary.

31. In parenthesis, we would here like to remark that no opposition to an adequate remuneration for management is likely to be offered by the trade unions, who may discuss this scheme. We feel sure that no fair-minded operative will hesitate to support an adequate scale of salaries. The workman demands from the management, as does the management from him, the highest possible efficiency, and respects it where he finds it. When that is rendered his whole tendency is to insist that such service shall receive adequate remuneration.

32. Various alternative suggestions were discussed, and rejected, for example:

(*a*) To fix salaries in a definite proportion to foremen's wages.
(*b*) To fix them in a definite proportion to the profits of the business or its turnover.
(*c*) To ascertain what the ordinary market value of a manager would be.

33. We finally decided to recommend that the salaries of management might first be ascertained by each "Employer-Manager" declaring what salary he has received or what he regards as his

due. These declarations should be periodically reviewed by the Employment Committees appointed under this scheme, the first review to ascertain data for possible revision in order to develop a recognized standard of remuneration.

The Hiring of Capital

34. It will already have become evident that the whole conception of organized public service that we are developing, demands the acceptance of three main principles as an essential preliminary to that increase of efficiency without which the cost to the community cannot be reduced.

(*a*) Regular rates of pay to the operatives that will insure a real and satisfactory standard of comfort.
(*b*) Salaries to owner-managers commensurate with their ability.
(*c*) A regular rate of interest for the hire of capital.

35. These established, the whole atmosphere will be clarified, the interdependence of the different sections will be better understood and the "team spirit" will rapidly develop.

The investigation of the hire of capital was, therefore, one of the most important, and, at the same time, one of the most difficult sections of our inquiry. One of the many unsatisfactory features of the building industry hitherto, has been the precarious nature of the employers' position and investments. There is no need to enlarge upon this—it is well known to those engaged in the industry. Recognizing then that confidence on the part of employers and operatives alike, is essential for efficiency, we bring forward proposals to secure that end.

In the first place it is necessary that the earnings of employers should be clearly and definitely separated under two headings:

(*a*) *Wages of Management* or remuneration paid by the business for personal service.
(*b*) Interest or the charges paid by the business for the hire of capital.

Wages of management should depend on ability. Interest on capital should depend on security and on the market price of money.

The principle of the limitation of the rate of interest on capital has already met with wide acceptance in the industrial world, for example, by debentures, preference, and loan stocks, as well as the ordinary shares of public utility societies. But limitation demands security, and security can only be given in return for a measure of control. Supervision, limitation, guarantees form, therefore, the triple keystone of the plan we now propose.

36. We recommend that approved capital, invested in the building industry, and registered annually after audit, shall receive a limited but guaranteed rate of interest, bearing a definite relation to the average annual yield of the most remunerative Government Stock. The fixing of the ratio will have to be worked out by further investigation, but we recommend that once determined upon, the guarantee shall apply to all firms in the industry, except where failure to earn the aforesaid rate is declared by the Committee on the advice of the auditors to be due to incompetent management.

37. The granting of loans for development—a necessary corollary of the scheme—will be dealt with in connection with the surplus earnings of the industry, which forms the subject of a later paragraph.

Accountancy and Audit

38. The regular employment of qualified accountants for the service of the building industry is not only essential for the working of this scheme, but will add greatly to the efficiency of every firm engaged therein. Moreover, as we shall show in a later section, our Sub-Committee on Production came independently to the conclusion that some such system of periodical accounting was absolutely necessary in order to place the conduct of the whole industry upon a more scientific and efficient basis.

39. And, just as the professional quantity surveyor is becoming recognized as the qualified assessor as between the builder and the building owner, so the professional accountant will become the recognized assessor as between the builder, the whole body of producers, and the larger community of which they form a part.

The Surplus Earnings of the Industry

40. While it may be urged that the measures so far projected do not take any direct cognizance of the public interest, we believe

that a solution of this problem may be found in the control of the surplus. We therefore recommend:

(*a*) That the amount of the surplus earnings of the industry shall be publicly declared every year and accompanied by a schedule of the services to which the money has been voted.

(*b*) That it shall be held in trust by a National Joint Committee of the Building Trades Industrial Council, and shall be applied to the following common services, which will be developed under the control of the industry as a whole.

(1) Guarantee of interest on approved capital as outlined in par. 36.

(2) Loans to firms in the industry for purposes of development.

(3) Education and research in various directions for improvement of the industry, both independently and in co-operation with other industries.

(4) Superannuation schemes for the whole registered personnel of the industry.

(5) Replacement of approved capital lost through no fault of the management.

(6) Such other purposes as may be thought desirable.

41. We believe that this safeguard of complete publicity will not only be very effective in creating public confidence in the organized service of the building industry, but will also pave the way to the scientific adjustment of prices, by providing the requisite information for the use of the Building Trades Industrial Council. Every rise in prices disturbs public confidence, restricts demand, and thus depletes both the unemployment and guarantee funds and reduces the surplus; while every fall in prices increases public confidence, stimulates demand, and relieves both the unemployment and guarantee funds.

And, while we hold that the creation of these common services, financed by the surplus earnings of the industry, is necessary for the development of the "team spirit" throughout its personnel, we are convinced that the public will not only recognize their value, but will reap a distinct benefit from an improved product. Industries are so intimately interdependent that any increasing

well-being in one must ultimately lead to the benefit of the others and to the consumer in particular.

Conditions of Entry into the Industry

42. It is obvious that the important improvements we have outlined, will tend to make service in the industry more attractive, and while the interests of this public service emphatically demand the enrolment of every member who can be trained and utilized in the building industry, we fully recognize that indiscriminate enrolment must be prevented by careful regulation.

43. We therefore recommend that the development of the industry should be kept under constant review by the Employment Committees, and that these committees should periodically notify the trade unions as to the number of new members that may apply for registration under the employment scheme, after a suitable trade test or evidence of previous service in the industry.

44. In anticipation of such periodical notifications we further recommend that the trade unions should establish waiting lists and that the periods of waiting should be utilized for technical training, approved by the Building Trades Parliament.

45. Similarly the entry of new employers into the industry will require careful regulation by the Employment Committees, in order to insure that a high standard of efficiency is established and maintained in this connection. We recommend that no loans should be made from the Development Funds (suggested in paragraph 40) to new firms conducted by private enterprise. New private enterprise should always provide its own initial capital.

Scientific Management

46. Our recommendations, so far, have dealt mainly with the development of the "team spirit" in industry—that subtle change in the industrial atmosphere that will engender throughout the whole personnel of the building industry the confidence, enthusiasm and sense of common purpose, that are the necessary conditions precedent to the full development and operation of really scientific methods, on what might be termed the material side of the industry. To the consideration of this we now proceed.

Costing

47. An accurate system of costing is the only foundation upon which the whole structure of scientific management can be safely erected. Without efficient costing no estimator can frame quotations with the reasonable certainty that he is not heading straight for disaster. We believe that it should be possible for the industry to adopt some simplified scheme for the use of builders who, at present, do not undertake any proper costing. It was generally agreed that many builders, especially those managing small businesses with a very limited capital, rely almost entirely on rule of thumb methods, with the result that their estimating is blind, faulty, and quite unscientific. In many cases no proper books are kept. Such methods are a danger and discredit to the industry. Moreover, this constitutes a great draw-back from the point of view of organization and efficiency.

48. It is not proposed in this Interim Report to give a detailed analysis of the whole of the evidence collected from witnesses, but to summarize all that seems germane.

Evidence was taken from Mr. Malcolm Sparkes, formerly of the firm of Messrs. H. G. Cleaver, Limited, regarding labor costing by diagram. Mr. Danels, of the firm of Messrs. Higgs and Hill, Limited, gave evidence regarding costing methods which enable his firm to ascertain the costs of the various factors concerned when determining contracts on a large scale. Mr. Chessum and Mr. Whittall, members of the Committee, also submitted evidence regarding methods of costing adopted in their firms. Papers were read by Mr. C. F. Chance, of H. M. Factory at Oldbury, and Mr. H. Vale of the Quantity Surveyors' Institute, with regard to a bonus scheme, based on constants of labor. Every one of these witnesses strongly emphasized the value of accurate costing, especially at the present time. Fluctuations in wages and the cost of material make this an absolute essential of any modern business. Moreover, a standard minimum system, adopted by the whole industry, will preserve it from the errors of those builders who are prone to accept contracts at less than cost price owing to their negligence in estimating or keeping proper costs.

Essentials of a Minimum System

49. As a result of considering the evidence, it became clear that some simple but generally applicable scheme of costing and

accountancy is not only essential, but possible. And if such a system be made part of the conditions of approval suggested in par. 36, we believe that it would be universally adopted.

50. We therefore recommend that the Building Trades Council should promote such a scheme or schemes which will fulfil the following conditions:

(*a*) Simplicity—*i.e.*, not too unwieldy or detailed to be available and useful for prompt results.
(*b*) Elasticity.
(*c*) Accuracy.

(We would here point out that the investigations and recommendations of the Sub-Committee on Distribution, make it essential that the industry should endeavor to place such a scheme upon a proper footing, for, without proper accountancy, their recommendations would be of no avail.)

51. Further, we recognize that any such system would involve routine, but the experience of those who have given evidence, testifies to the value of such routine, and to the small additional outlay in skilled staff which it involves. Moreover, any such outlay more than repays itself by increased efficiency.

52. Such a scheme should also provide some method of determining with speed and safe approximation and at any stage:

(*a*) The proportion of the cost of the various items of labor to the total cost at any stage.
(*b*) The proportion of establishment charges to total costs.
(*c*) The proportion of the other factors involved.
(*d*) Departmental costs.

53. We were aware, however, that the improvement in managerial or office routine was of itself not sufficient. We therefore invited criticism, by operatives engaged in the various crafts, of existing works organization. Here we found a remarkable unanimity of view that whatever mechanical readjustments are adopted the greatest increase of production will come from mutual esteem between management (in the wider sense including foremen) and operatives.

54. The bulk of the evidence led us to the following additional recommendations:

(*a*) That there should be more inducement to the most talented operatives to increase their efficiency, and to undertake positions of greater responsibility.

(*b*) That every care should be taken, especially in sub-contracting work, to provide a sufficiency of plant.

(*c*) That production can be considerably increased by organizing the position of scaffolding and the disposition of material, in order to arrange a continuity of employment for the ultimate handler of the material. It is better for the material to wait for the men than the men for the material.

(*d*) Workshops should be specially built or adapted for the purpose in view, and should contain the best devices for insuring the easiest possible manipulation of material. (Very strong criticism was directed against many of the existing workshops, which were considered quite unfit for the nature of the work to be carried out in them.) It is clear that a detailed study of processes and a variety of experiments would afford in many cases considerable increases in output.

(*e*) A better output will be obtained if the personal comfort of the operatives is provided for by canteens, sanitary arrangements, etc., whether at the works or on jobs. Where such accommodation is provided, the operatives should make fuller use of such facilities.

Works Committees

55. We realize that no uniform arrangements or recommendations beyond a minimum can be made, as local conditions vary so considerably, nor can we presume to advise the individual employer how to organize any particular operation. But we realize very strongly the value of useful suggestions by the operatives. We therefore recommend that this can be best utilized by the establishment of Works Committees upon which management and labor may interchange their specialist knowledge and discuss questions of mutual interest. Other benefits would undoubtedly accrue. The value of joint organization would be brought more nearly home to the whole of the employers and operatives alike, and thus the work of the Building Trades Industrial Council would be more keenly and nearly appreciated in all localities and workshops.

Conclusion

In summing up the conclusions that we have reached, we would again lay special emphasis upon the keynote of our work; the development of the "team spirit" in industry which we believe to be the only real solution of the whole problem of production.

This analogy of the athletic team conveys our meaning more accurately than any other form of words we can devise—implying, as it does, a fundamental basis of loyalty, enthusiasm, and efficiency for a common aim.

It sounds across the whole industrial arena the trumpet call of a new idea—the conception of our industry as a great self-governing democracy of organized public service.

We have endeavored, we hope successfully, to outline the true foundation for such a consummation, namely:

Freedom and security for initiative and enterprise.
Complete removal of the fear of unemployment.
Salaries to management commensurate with ability.
Hire of capital at the market rate of good securities.
Provision of common services controlled by the whole industry, and financed from its surplus earnings.

We have not hesitated to make great demands, for the emergency and the opportunity are also great, and this is no time for dalliance.

We believe that the spectacle of organized management and labor, uniting their constructive energies upon a bold scheme of reorganization and advance will transform the whole atmosphere of our industrial life, and that the force of a great example is the only thing that will lead the way to the commonwealth that all men of goodwill desire.

We have the honor to be, Sir,

Your obedient Servants,

THOS. FOSTER, *Chairman.*[1]
W. CROSS, *Vice-Chairman.*
J. ARMOUR.
J. P. COX.[1]
THOS. GRAHAM.[1]
T. GREGORY.
R. JONES.
MALCOLM SPARKES.
H. J. WALKER.
W. WILLIAMS.
R. WILSON.

[1] These three are employers.

Messrs. CHESSUM, HOLLOWAY, SMETHURST, TURNER, and WHITTALL, while agreeing with some of the proposals contained in the Report, do not see their way to sign it without important reservations.

CHAPTER III

JOINT STANDING INDUSTRIAL COUNCILS

(The Whitleys)

Notes on their Work, July, 1919, by the Ministry of Labor

I.—Wages

Asbestos.—Existing time rates to be paid for 48-hour week. Rates for piecework to be raised 15 per cent.

Bedsteads (Metallic).—The Conciliation Board for this Industry, which retains a separate existence, has been sitting to arrange new piecework prices for the whole of the Industry.

Bobbins.—An agreement was arrived at in November, 1918, providing for minimum wages of 60s. for skilled men, 53s. 6d. for lesser skilled men, 45s. for laborers, and 25s. 6d. for women, with scales according to age for juvenile workers. In May, 1919, this agreement was superseded by an award of the Court of Arbitration. This award which (excludes Scotland) gave advances of 6s. per week to skilled men, 5s. to lesser skilled men, 4s. to laborers and women, and 2s. 6d. to juvenile workers.

Bread Baking.—Minimum wage fixed at 60s. in industrial areas, 55s. in rural areas.

China Clay.—Agreement arrived at on 4th February, 1919 (dated back to 1st January, 1919), providing for payment to male time workers of 1s. 1d. per hour (6d. of which is war wage), overtime to be paid time and a quarter on weekdays and time and a half on Sundays on repair work. Boys to receive a proportionate increase of men's war increase, in proportion to pay, with a minimum of 1s. 6d. per day, plus increase. Competent blacksmiths, carpenters, and masons are to be paid a minimum wage of 1s. 2d. per hour. Females on time work are to receive a minimum wage of 25s. per week. Piece-workers will receive an increase of 21s. 6d. per week in addition to the piecework rates existing at July, 1914.

Coir Mat and Matting.—15 per cent increase on bonuses agreed

upon (20 per cent in Eastern Counties), pending general revision of piece-prices.

ELASTIC WEBBING.—Council failed to agree on claim for uniform and advanced rates of wages, and referred matter for arbitration to Wages and Arbitration Department of Ministry of Labor. Hearing took place on 22nd May. The Award (31st May) has given 32s. for 48 hours to women of 20 years and over, 100 per cent over pre-war rates to female pieceworkers, and advances of 30s. on time work and 75 per cent on piecework to men.

FURNITURE.—Standard rate for London upholsterers and upholsteresses and standard rate for women polishers in London district settled by National Conciliation Board (formed by the Council), and approved under Wages (Temporary Regulation) Act.

GOLD, SILVER, ETC.—5 per cent increase on all rates for pieceworkers, to compensate for reduced hours.

HOSIERY (ENGLISH).—December, 1918. Additional bonus agreed to, of 1½d. in the 1s. upon wages earned, making total of 6½d. in all. In force till end of March, 1919. April 10th, 1919, agreed that piece rates should be increased by 7½ per cent., 3d. an hour increase to be paid for overtime instead of 2d. increase now paid. Same weekly time rate to be paid for shorter working week (48 hours).

HOSIERY (SCOTTISH).—Wage claims to be dealt with by full Council or District Council according to general or district character of claim.

LEATHER GOODS.—National minimum daily rate for males to be 1s. 5d. per hour. Pieceworkers, male and female, to receive an increase of 12½ per cent, pending the settlement of their application. Female day workers not to receive less for a 48-hour week than they received for the longer working week, pending the settlement of their present application.

LOCAL AUTHORITIES' NON-TRADING SERVICES (MANUAL WORKERS) (ENGLAND AND WALES).—Agreement arrived at on overtime rates, providing that after 47 hours per week have been worked or otherwise accounted for by sickness covered by a medical certificate or by employer's permission or instruction to be absent, overtime shall commence, and the rates shall be time and a quarter for the first three hours overtime, time and

a half beyond three hours, and double time for Sundays, Christmas Day, and Good Friday where that is recognized as a general holiday, and proclaimed national holidays, but this is not intended to affect any existing local arrangement which is more beneficial to the employees and shall not apply to the class of men whose overtime rate is dealt with by the Agricultural Wages Board.

MATCHES.—Same wages to be fixed for 47-hour week as before hours agreement.

PAINT, COLOR, AND VARNISH.—Men and women over 18 to receive 5s. per week, under 18, 2s. 6d., on total war wage existing at 1st December, 1918. Proportionate advance to pieceworkers.

RUBBER.—Existing weekly time-rates allowed for 47-hour week. No reduction in piece-rates. No increase to be made in present basis of calculation for output bonus. This to include men and women.

SAWMILLING.—The principle of a national minimum wage was agreed upon by the Council, the country being divided for the purpose into three groups:—(*a*) Large towns and ports; (*b*) small towns; (*c*) country districts. The Council could not agree as to the minimum hourly rates for each group and the question was submitted to the Court of Arbitration. In June the Court of Arbitration awarded as follows:—(*a*) Large towns and ports—machinists 1s. 6d., laborers 1s. 3d.; (*b*) small towns—machinists 1s. 4d., laborers 1s. 2d.; (*c*) country districts—machinists 1s. 3d., laborers 1s.

VEHICLE BUILDING.—An agreement was reached in January, 1919, providing for a national minimum wage ranging from 1s. 5d. to 1s. 7d. per hour for skilled workers, and from 1s. 1d. to 1s. 3d. per hour for lesser skilled workers and laborers.

WATERWORKS UNDERTAKINGS.—Agreement reached on overtime rates, providing that payment for overtime shall not run until after 47 hours for the day men or after 48 hours for the shift men have been worked or otherwise accounted for by sickness covered by medical certificate or by the employer's permission or instruction to be absent; provided that where a workman is insured under the National Insurance Acts, such certificate shall be obtained from the man's panel doctor, or where the employing authority has been excepted from the Acts under any approved scheme for sickness benefit, such certificate shall

be obtained from the medical practitioner provided for by the regulations made by the employing authority. That time and a quarter shall be paid for the first two hours and time and a half afterwards; that time and a half shall be paid for all Sunday work, reckoned according to local practice; the foregoing to be without prejudice to higher rates where prevailing at the present time. That where a man is called upon to start work before the usual time or he is recalled after having left work, he shall be paid time and a half for each hour worked. That for the purpose of these resolutions the recognized national holidays be placed upon the same footing as Sundays.

Wool (and Allied) Textiles.—Wages to be settled locally by District Councils. Some District Councils have already reached agreement.

II.—Hours

Asbestos.—Agreed that 48-hour week be established. Shift system under consideration.

Bobbins.—Normal working week of 48 hours, without reduction of weekly pay of time or day workers, and with proportionate adjustment in piecework wages, established by award of Court of Arbitration in May, 1919.

Bread Baking.—The Government Committee of Inquiry into Night Baking held its first sitting for the hearing of evidence on 1st May, and sat for 15 days, hearing over 50 witnesses. Certain visits have also been paid to bakeries. A report (Cmd. 246) has been published.

China Clay.—Agreement reached fixing 42-hour week, without reduction of wages.

Elastic Webbing.—Agreed that 48-hour week be established from 7th April, 1919.

Electrical Contracting.—Provision made for 47-hour working week, with one break of 45 minutes' duration in the ordinary full working day.

Furniture.—In accordance with a general agreement reached by the Council a 47-hour week has been established in many centers.

Gold, Silver, Etc.—Agreed upon standard week of 47 hours, without reduction of wages.

Hosiery (English).—Agreed that 48-hour week be established, without reduction of wages.

Hosiery (Scottish).—Agreed that 48-hour week be established, without reduction of wages.

Leather Goods.—Agreed that 48-hour week be established.

Local Authorities' Non-Trading Services (Manual Workers) (England and Wales).—Agreement arrived at, providing that the working week for day-men or women (manual workers) in non-trading departments shall be not more than 47 hours, exclusive of meal times; that any change in hours implied by this resolution shall not entail any loss of pay; that the question of a one or two-break day be left for local settlement; that in no case where a smaller number of hours are worked shall that number be increased. Further, that there shall be a minimum of 12 days' holiday, including Christmas Day, Good Friday where that is recognized as a general holiday, and proclaimed national holidays, with pay, per annum, to be arranged by local agreement, but included in the 12 days there shall be a period of not less than six consecutive days, provided that the holiday shall not be claimed as a matter of right until after such period of service as may be agreed upon locally, and that if more advantageous terms exist no reduction shall be made.

Matches.—Working hours reduced to 47 per week; no reduction of rates. All Sunday work to be considered as outside the 47-hour week.

Packing Case Making.—47-hour week adopted.

Sawmilling.—National 47-hour week adopted, without reduction in wages.

Silk.—49-hour working week adopted for 3 months as an experiment.

Vehicle Building.—47-hour week adopted, without reduction of wages.

Waterworks Undertakings.—Agreement arrived at, providing that the week of day workers shall consist of 47 hours (exclusive of meal times), except where fewer hours are now worked; that where the adoption of 47 hours entails a reduction in the number of hours worked there shall be no reduction in wages; that all hours worked above 47 shall be regarded as overtime; and that the question of a one or two-break day be

left for local settlement. Agreement further provides that for shift workers (that is, those engaged in continuous work) the week shall consist of not more than six eight-hour shifts (inclusive of meal times); that if the working week now consists of seven shifts or six shifts, as the case may be, the total weekly wages, exclusive of overtime pay, shall be divided respectively by seven or six, and thus shall the daily or shift rate be determined; this rate shall be paid per shift, and all time worked beyond the six shifts of eight hours shall be regarded as overtime.

Wool (and Allied) Textiles.—48-hour week adopted. Details of arrangement left to District Councils.

III.—Disputes and Conciliation

Several Councils have devised machinery for dealing with disputes and for undertaking conciliation duties. The principle adopted in some cases is that such questions should be dealt with by Shop or Works Committees or by District Councils where possible, the Council confining itself to questions affecting the whole industry. Some Councils (*e.g.*, Heavy Chemicals and Road Transport) have appointed Traveling Arbitration Panels, and the Wool (and Allied) Textile Council has established an Arbitration Panel. The Furniture Council has formed a National Conciliation Board. The Board has held five meetings, and has been successful in settling several disputes referred to it. It has power, in the event of disagreement, to appoint an independent arbitrator.

The Councils have recently been invited to express their views with regard to undertaking conciliation where one or both parties to the dispute are not represented on the Council; and in the majority of cases the Councils have readily agreed to undertake these duties when requested to do so.

IV.—Working Conditions

Relaxation of War-Time Regulations.—The Pottery Council has been asked to advise the Home Office as to the date when the relaxation of the war-time Pottery Regulations should cease.

Safety Appliances.—The Building, Furniture, and Sawmilling Councils have decided to co-operate in advising the Home Office as to the protection required on woodcutting machinery.

Welfare Committees have been formed by the Building and China Clay Councils.

Improving Factory Conditions.—The Home Office has been in touch with the following Councils with a view to improving factory conditions:

Furniture; Leather Goods; Packing Case Making; Paint, Color, and Varnish; Pottery; Silk.

V.—Apprenticeship

The following Councils, among others, have taken action with regard to interrupted apprenticeship and juvenile education:

Bobbins.—A scheme similar to that under consideration by the Pottery Council (see below) is approaching completion.

Building.—The Education and Apprenticeship Committee has drawn up a scheme for the entry and training of all apprentices and recruits for the Building Industry. This has been approved by the Council.

Electrical Contracting.—A Sub-Committee has drawn up a scheme of apprenticeship in the industry.

Pottery; Vehicle Building.—The question of regulating the entry of apprentices into the industry, and the provision of proper training is engaging the attention of a Committee. A scheme providing for the re-entry of apprentices returning from war service has been approved.

Wool (and Allied) Textiles.—A Sub-Committee has been appointed.

VI.—Education

Education Committees have been set up by the following Councils:

Building.	Pottery.
China Clay.	Silk.
Furniture.	Vehicle Building.

These Commitees have been in close touch with the Board of Education and Local Educational Authorities, and have discussed such questions as Apprenticeship, Continuation, and Technical Schools, etc.

Liaison Officers have been appointed by the Board of Education to act in an advisory capacity on most of the Joint Industrial Councils.

VII.—Statistics and Research

Building.—The Council has appointed a Committee to consider the question of Scientific Management and Reduction of Costs, with a view to enabling the Building Industry to render the most efficient service possible. This Committee has held several meetings and has appointed two Sub-Committees to deal respectively with questions of improving production and questions of the distribution of the product.

Pottery.—A Statistical and Inquiries Committee has been appointed to inquire into the general problems of the industry. This Committee has appointed a Sub-Committee to get information on wages and making prices, also on the average percentage of profits on turnover.

Vehicle Building.—A Committee has been set up.

VIII.—Organization, Propaganda, and Publicity

(*a*) Organization.—Action for improving the organization of employers and workpeople has been taken by the following Councils:

Coir Mat and Matting.	
Leather Goods.	Rubber.
Pottery.	Tin Mining.

Electrical Contracting.—The Council has agreed that one of its objects should be the elimination of the unorganized employer and employee.

Pottery.—The Council has passed a resolution to the effect that employers be requested to grant facilities to Trade Unions to go

on to works for propaganda purposes and for enrollment at mealtimes, provided that no interference with the carrying on of the operatives' duties is caused.

(*b*) Propaganda and Publicity.—Most of the Councils have from time to time issued reports to the Press.

Coir Mat and Matting.—The Council has issued and circulated a leaflet giving a short account of the work and aims of the Council.

Waterworks Undertakings.—The Council has issued a leaflet giving the constitution and functions of the Council, a list of the members and officers of the Council, and the resolutions on maximum hours of work and overtime rates adopted by the Council.

IX.—Relations with the Overseas Trade Department of the Board of Trade

Matches.—This Council has been requested by this Department to supply information as to:

(*a*) The encouragement of study and research with a view to the improvement and perfection of the quality of the product, and of machinery and methods for economical manufacture in all branches of the industry.

(*b*) The preparation and consideration of statistics and reports relating to the industry throughout the world, and the effect on the industry of Customs and Excise duties.

The question of setting up Commercial Sub-Committees, charged with the special work of dealing with matters in which the Board of Trade is concerned, is receiving the consideration of several Councils. In certain cases Commercial Sub-Committees are in process of formation. In others the matter is delegated to a General Purposes or other Standing Committee. Liaison Officers between the Board of Trade and the Councils have been appointed.

In addition, most Councils directly affected by the question of Import Restrictions have appointed deputations to state their requirements to the Board of Trade Import Restrictions Committee.

X.—District Joint Industrial Councils

District Joint Industrial Councils have been formed or are in process of formation by the National Joint Industrial Councils for the following Industries:

Bread Baking.
Coir Mat and Matting.
Elastic Webbing.
Electrical Contracting.
Electricity Supply.
Furniture.
Gas.
Gold, Silver, etc.
Heavy Chemicals.
Hosiery (Scottish).
Local Authorities' Non-Trading Services (Manual Workers).
Matches.
Paint, Color, and Varnish.
Road Transport.
Rubber.
Sawmilling.
Waterworks Undertakings.
Wool (and Allied) Textiles.
Woollen and Worsted (Scottish).

Most of the other Councils have the question of the formation of District Councils under consideration. In some industries District Councils are regarded as unnecessary.

XI.—Works Committees

Works Committees have been or are being set up under the auspices of the respective Joint Industrial Councils for the following Industries:

Bobbins.
China Clay.
Coir Mat and Matting.
Hosiery (Scottish).
Matches.
Pottery.
Rubber.
Tin Mining.
Woollen and Worsted (Scottish).

Several other Councils are at present considering the question of the formation of Works Committees.

PROGRESS OF THE ESTABLISHMENT OF JOINT INDUSTRIAL COUNCILS

SHOWING ESTIMATED NUMBERS OF WORKPEOPLE IN EACH INDUSTRY

Number of Council	*Date set up*	*Industry*	*Estimated No. of Workpeople Employed in the Industry*
	1918		
1	Jan. 11	Pottery	64,000
2	May 29	Building	553,000
3	July 16	Rubber Manufacturing	58,000
4	July 20	Gold and Silver, etc.	30,000
5	July 23	Match Manufacturing	5,500
6	July 25	Silk	33,000
7	July 31	Furniture	85,000
8	Aug. 16	Heavy Chemicals	30,000
9	Sept. 18	Bread Baking, etc.	99,000
10	Sept. 18	Paint, Color, and Varnish	19,000
11	Sept. 23	Vehicle Building	28,000
12	Oct. 1	China Clay	9,000
13	Oct. 10	Hosiery (English)	86,000
14	Oct. 21	Metallic Bedsteads	8,000
15	Oct. 22	Bobbin and Shuttle	4,500
16	Oct. 23	Made-up Leather Goods	42,000
17	Nov. 5	Woollen and Worsted (Scottish)	Included in Wool (and Allied) Textile
18	Nov. 6	Hosiery (Scottish)	Included in Hosiery (English)
19	Nov. 21	Saw-milling	74,000
	1919		
20	Jan. 8	Wall-paper Making	3,000
21	Jan. 15	Wool (and Allied) Textile	298,000
22	Jan. 17	Tin Mining	6,000
23	Jan. 22	Electrical Contracting	6,000
24	Jan. 24	Packing-Case Making	24,000
25	Mar. 5	Elastic Webbing, etc.	4,000
26	Mar. 7	Welsh Plate and Sheet	25,000
27	Mar. 11	Road Transport	152,000
28	Mar. 12	Asbestos Manufacturing	3,000
29	Mar. 20	Coir Mat and Matting	3,000
30	Apr. 3	Waterworks Undertakings	17,000
31	Apr. 11	Local Authorities' Non-Trading Services (Manual Workers)	60,000
32	Apr. 30	Gas Undertakings	94,000
33	May 1	Electricity Supply	29,000
34	May 8	Heating and Domestic Engineering	62,500
35	May 13	Spelter	3,000
36	May 22	Flour Milling	25,000
37	May 27	Boot and Shoe Manufacture	160,000
38	June 24	Iron and Steel Wire Manufacture	34,000
39	June 25	Music Trades	5,500
40	July 1	Printing	191,500
41	July 9	Needles, Fish Hooks, and Fishing Tackle	5,000
		Total	2,438,500

(Note by the Author)

The British Government announced at the beginning of 1920 that 51 Joint Industrial Councils (Whitleys) had been set up. These represent about 3,200,000 workers. The British lean back on precedent and eye such new machinery as that of the Whitleys with a Luddite suspicion. Industrial dealings are meshed in a multiple technique of agreements and grades and rates. British industry has a vast inherited network of collective agreements, boards and joint committees of voluntary conciliation and arbitration. By 1910 there were 1,696 collective agreements, covering wages and hours, conditions of work, and interference with management. By 1913, there were 325 permanent Boards of Conciliation. Collective bargaining, then, had through the last generation created its own machinery of diplomacy. Back of it lay the threat of strike. Ahead of it rose the goal of legislative enactment.

The Whitleys superimposed themselves upon this hereditary intricate scheme. Their reception was mixed. They are serving a purpose in establishing wages and hours. "A case—a very real case—can be made out for them in the matter of wages and hours," said J. J. Mallon (in November, 1919). "But," he added, "the Government Bulletin, describing their work, is all but bare of reference to any functions they fulfil in the training of workers for participation in management."

Three Whitley Councils have been formed on which the Government as employer is represented. This marks the emergence of the application of the Whitley Scheme in the non-industrial and professional groups. The Admiralty Council and the Office of Works Council have held their first meetings. The Civil Service Council has met several times.

The Webbs' revised *History of Trade Unionism* appeared in the spring of 1920. In it they say:

"After two years propagandist effort, it seems as if the principal industries, such as agriculture, transport, mining, cotton, engineering, or shipbuilding, are unlikely to adopt the Whitley Scheme. The Government found itself constrained, after an obstinate resistance by the heads of nearly all the departments, to institute the Councils throughout the public service. We venture on the prediction that some such

scheme will commend itself in all nationalized or municipalized industries and services, including such as may be effectively 'controlled' by the Government, though remaining nominally the property of the private Capitalist—possibly also in the Co-operative Movement; but that it is not likely to find favor either in the well organized industries (for which alone it was devised) or in those in which there are Trade Boards legally determining wages, etc., or, indeed, permanently in any others conducted under the system of capitalist profit-making."

If the Whitleys survive, they will demand an all-inclusive body, to tie together their activities. They will demand some such body as the half-realized National Industrial Council.

The relationship of manual labor to the State will not be determined by a vague group called "the public." The public must be analyzed into its various groups of doctor, teacher, technician, manager, miner, conductor. What Felix Adler calls the "lateral pressure" of these groups on the warring member inside the social organism will be of more potency than the pressure of a mass called "the public," exercised from above. The British railway strike was settled by the pressure of the great trade unions (represented by 14 men) upon Lloyd George and the railwaymen.

Whitleys and National Industrial Councils will only avail as they become new institutions and give constitutional representation and expression to the working groups inside the State.

SECTION THREE

THE WORKERS

CHAPTER I

MEMORANDUM ON THE CAUSES OF AND REMEDIES FOR LABOR UNREST

PRESENTED BY THE TRADE UNION REPRESENTATIVES ON THE JOINT COMMITTEE APPOINTED AT THE NATIONAL INDUSTRIAL CONFERENCE, HELD AT THE CENTRAL HALL, LONDON, ON FEBRUARY 27th, 1919

I.—THE CAUSES OF UNREST

No one can doubt the existence in the United Kingdom at the present time of the most widespread and deep-seated unrest that has ever been known in this country. The causes of this unrest do not admit of any simple and comprehensive explanation. They are various and diverse and different causes take the first place in different districts and among different groups of workers. The main outlines are, however, sufficiently distinct to admit of certain broad and general conclusions, and this memorandum is an attempt to describe some of the most important causes so far as they relate to economic conditions. No attempt will be made to deal with causes of a political character, although it is impossible to separate these completely from economic causes. Thus, the representation of Labor in Parliament not only has a political aspect, but also provides, under favorable conditions, the best possible safeguard for a constitutional ventilation of economic grievances, and the under-representation of Labor in the present House of Commons must therefore be classed, to this extent, among the economic factors, as well as among the political factors, in unrest. It must be remembered that throughout the war the workers have been led to expect that the conclusion of hostilities would be followed by a profound revolution in the economic structure of society. Not only social theorists, but also the most prominent spokesmen of the

Government, and not a few employers, have constantly told the workers that we should never revert to the old conditions of industry and that an altogether higher standard of life and an altogether superior status for the worker in industry would be secured as soon as the immediate burden of hostilities was removed. The Prime Minister himself has urged an official deputation from the Labor Party to be audacious, and the promises of drastic industrial change made by the Government are too numerous to chronicle. The Prime Minister's own words to the Labor Party Deputation are worth quoting. He said:

> "I am not afraid of the audacity of these proposals. I believe the settlement after the war will succeed in proportion to its audacity. . . . Therefore, what I should be looking forward to, I am certain, if I could have presumed to have been the adviser of the working classes, would be this: I should say to them audacity is the thing for you. Think out new ways; think out new methods; think out even new ways of dealing with old problems. Don't always be thinking of getting back to where you were before the war; get a really new world."

In view of the attitude now adopted by the Government in regard to industrial reconstruction, these words of the Prime Minister must be regarded as a material cause of Labor unrest.

1.—Lack of Policy

At the present moment the workers find themselves face to face with disappointment. There is also no sign that any comprehensive policy has been prepared, or even contemplated, by the Government or by the Employers, with a view to bringing about any drastic change in industry. Everywhere the workers find either the determination to revert as soon as possible to pre-war conditions in the operation of commerce and manufacture, or, where the question of reverting to pre-war conditions does not arise or concerns primarily Labor, they find that few, if any, preparations have been made for the introduction of real changes. The lack of any comprehensive industrial or economic policy on the part of the Government or the employers must therefore be regarded as one of the principal factors in the present Labor unrest.

2.—The Control of Industry

With increasing vehemence Labor is challenging the whole structure of capitalist industry as it now exists. It is no longer willing to acquiesce in a system under which industry is conducted for the benefit of the few. It demands a system of industrial control which shall be truly democratic in character. This is seen on the one hand in the demand for public ownership of vital industries and services and public control of services not nationalized which threaten the public with the danger of monopoly or exploitation. It is also seen in the increasing demand of the workers in all industries for a real share in industrial control, a demand which the Whitley scheme, in so far as it has been adopted, has done little or nothing to satisfy. This demand is more articulate in some industries than others. It is seen clearly in the national programs of the railwaymen and of the miners; and it is less clearly formulated by the workers in many other industries. The workers are no longer prepared to acquiesce in a system in which their labor is bought and sold as a commodity in the Labor market. They are beginning to assert that they have a human right to an equal and democratic partnership in industry; that they must be treated in future not as "hands" or part of the factory equipment, but as human beings with a right to use their abilities by hand and brain in the service not of the few but of the whole community.

The extent to which workers are challenging the whole system of industrial organization is very much greater to-day than ever before, and unrest proceeds not only from more immediate and special grievances but also, to an increasing extent, from a desire to substitute a democratic system of public ownership and production for use with an increasing element of control by the organized workers themselves for the existing capitalist organization of industry.

3.—High Prices

Among the more immediate and special causes of industrial unrest the high prices prevailing for commodities of common consumption take a prominent place. High prices in themselves cause industrial unrest since the attempt is seldom, if ever, made to

readjust wages to a higher cost of living until the workers themselves strongly press their demands. The fact that the onus of securing concessions which are necessary even to maintain Labor in its present position is always thrown upon the workers, and that strong resistance is practically always offered by the employers to such readjustments is a standing provocation to unrest, and has been a very material factor during the time of increasing prices through which we have been passing. Moreover, the workers are convinced that the high prices which have prevailed have not been unavoidable or purely due to natural causes. From the very beginning of the war period the Labor Movement has pressed upon the Government the adoption of measures designed to keep down the cost of living, and although control over private industry has been gradually extended, it has, in most cases, not been sufficiently thorough or has been instituted far too late to check materially the rising prices, and certainly too late to prevent the amassing of huge fortunes at the public expense. The system of control which has operated during the war has meant, in the majority of cases, the fixing of prices at a level which will give what is regarded as a reasonable margin of profit to the least efficient concern, and this has meant, in case after case, the fixing of prices which leave an entirely unnecessary balance of profit to the more fortunately situated or more efficient establishments. In these circumstances, unrest arises and the workers are strongly convinced that the only way of keeping down prices is by taking production and distribution into the hands of the public itself so that the price can be fixed at such a level as to be fair in the aggregate and so that gains and losses can be distributed over the whole supply of each product. The fact then that control by the State has usually been instituted too late, and the further fact that, even when it has been put into operation, it has not had the effect of reducing prices because the motive of private profit has still been preserved, must be regarded as a most potent factor in aggravating unrest and confirming working class suspicions of widespread profiteering.

4.—Profiteering

The universal opinion among the working classes that profiteering has taken place during the war on an unprecedented scale must also be reckoned as one of the most important causes of

unrest. It is, of course, impossible to produce an accurate statement of the extent and character of this profiteering, but an indication is given in the inclosures of the type of fact reported in the newspapers which has been a powerful influence in convincing the public that widespread profiteering is prevalent. (*See* inclosures appended.) Indications have pointed to the fact that large fortunes have been amassed as a result of the war by many sections among the employing and financial classes. The following indications are those which have principally led to the impression that extensive profiteering has been prevalent:

a. The reports in the newspapers of dividends, distribution of bonus shares, distribution of dividends higher than pre-war dividends after payment of excess profits duty, and other reports showing that the prosperity of well-known firms is greater than ever before as a result of the war.

b. The impression that large profits beyond those actually declared in the form of dividends or bonus shares have been accumulated by one or another of the following methods:

The placing of exceptionally large sums to the reserve beyond the increase in depreciation necessitated by war conditions.

The equipment, by grant or out of excess profits at the public expense, of new factories, etc., or the re-equipment of old ones, which will be in a position to earn high profits after the war.

c. The impression that the excess profits tax has operated not so as to reduce the total amount of profit obtained by the large concerns which have been in a position to secure almost what prices they chose to ask for their commodities, but to increase prices and thereby maintain profits at the same height as they would have reached if there had been no excess profits taxation.

d. The constant references in Government reports and in the newspapers, giving accounts of the progress of combination among firms which have led to the impression that "vested interests" are becoming more powerful in the community than ever, and that there is a serious danger of a great extension of private monopolies prejudicial to the public, and that the Government is steadily fostering com-

bination among capitalists without adequate safeguards for the public interest.

e. The fact that huge combinations of capitalists have been formed during the war for the express purpose of influencing the Government, and the impression that these combinations are listened to with far more attention by Government Departments, than the representations made by Labor.

This list by no means exhausts the causes which have led the workers to believe that widespread profiteering exists, but it would be impossible to carry the matter further without entering into considerable detail. It need only be said that profiteering in articles of working class consumption, such as food, naturally produces a more immediate and profound impression in working class circles than profiteering which, although it may be even more extensive, is not equally apparent to the ordinary man or woman. The work of the Ministry of Food and of the Consumers' Council has done something to diminish the suspicion among the workers of food profiteering, but this suspicion is rapidly reviving as a beginning is made of the removal of food control.

5.—Government Policy in Relation to Industry

The actions of the Government in relation to industry since the general election have deepened the working class impression that profiteering is prevalent. The sale of national ships, shipyards, and factories is strongly resented by Labor, especially as this has taken place at a moment when the ships might have been made of the greatest use, in national hands, both in relieving the necessities of the world and in preventing the creation of powerful shipping monopolies. The shipyards might have been used to increase and develop a national mercantile marine, and the factories, as well as the shipyards, might have been turned to the task of useful peace-time production, and might have been made a powerful factor for the prevention of unemployment, both during the period of dislocation and permanently. The words used by the Minister of Labor at the Industrial Conference on February 27th have intensified Labor's misgivings. Sir Robert Horne said:

> "The consideration which ultimately weighed with the Government was that the only chance of expediting matters at

> the present time was to restore confidence in private enterprise. . . . If the Government was regarded as a competitor in the industries which private enterprise was at present running they would never get proper work started again at all."

This is by no means the view of Labor, which holds strongly that the development of national resources under public ownership is the most urgent need of industry at the present time. The eagerness of the Government to sell the national property and its expressed determination to compete in no way with private interests in the task of production, even on such commodities as telephones which are required by the Government itself in large numbers, and the hasty abandoning of national control over industry, without any adequate safeguards for the future protection of the consumer, have led the workers to the view that the Government's first concern is the restriction of public ownership and the restoration, at all costs, of the system of production for private profit. Moreover, the refusal of the Government to come to any decision on the question of mine and railway nationalization, despite definite promises made during the general election and although the solution of this question is obviously vital to the problem of industrial reconstruction as a whole, seems to show that no constructive industrial policy can be expected. Thus, disillusionment and fear of exploitation in the future on an unprecedented scale has made the workers think that their only remedy lies in taking matters into their own hands.

6.—Unemployment

The prevention of unemployment and provision against unemployment should have been one of the first thoughts of the Government as soon as the question of industrial reorganization began to be considered. The workers fully understood that steps were being taken to bring into immediate operation upon the conclusion of hostilities a permanent scheme both for the prevention of unemployment wherever possible and for the maintenance of the unemployed where this could not be done. They now find that no permanent provision has been made, and that the Government actually proposes to withdraw the temporary provision for the unemployed before instituting any permanent system of prevention and maintenance. The reduction of the unemployment donation

before a comprehensive and permanent scheme of prevention and provision has been brought into operation, will have the effect of extending and increasing unrest. Moreover, the administration of the unemployment donation has given considerable cause for dissatisfaction, especially in the case of women, who are being compelled in case after case to take jobs in sweated industries practically at pre-war rates of wages.

We are of the opinion that the unequal distribution of wealth which prior to the war kept the purchasing power of the majority of the wage earners at a low level, constituted a primary cause of unemployment. During the Labor unrest debate in the House of Commons, February, 1912, the Parliamentary Secretary to the Board of Trade stated that the department had particulars of wages paid to 7,300,000 workpeople, and further informed the House that 60 per cent of the wage earners for whom they had particulars were receiving less than 30s. per week. From the Land Inquiry Committee Report, published in 1913, we learn that about 60 per cent of the ordinary adult agricultural laborers received less than 18s. per week, a substantial percentage being in receipt of less than 15s. per week.

In 1911 the Government appointed a Royal Commission to investigate the cause of a dispute affecting railway employees. The union representatives submitted a statement showing the rates of wages for railway war workers in 1906, as follows:

No. Receiving £1 per week or less		Per Cent of Total Number Employed
England and Wales	81,300	36.7
Scotland	12,960	45.2
Ireland	6,650	74.5

Showing over 100,000 workers employed in an industry not affected by foreign competition not exceeding £1 per week.

Sir G. S. Barnes, Second Secretary, Board of Trade, giving evidence before a Select Committee of the House of Commons in 1913, supplied the following particulars of wages paid to women workers.

In the Sugar Confectionery trades 40.5 per cent were receiving less than 10s. per week, with an average wage of 11s. 9d. Food preserving 44.4, with an average of 10s. 11d. The women employed

in the hollow-ware trade to the number of 700 have been on strike to obtain a minimum wage of 10s. for a week of 54 hours.

In the calendering and machine ironing trade, of the women over 18 years of age working full time, 32 per cent earned under 10s., and the average was 11s. 4d. for a 60-hour week.

The above particulars of wages paid covering Railway Workers, Agricultural Laborers, and a large percentage of women workers indicate that a very large body of wage earners have received a rate of wages limiting their power of consumption to such an extent as seriously to limit the effective demand for all the essentials of life, and as a consequence unemployment has been created by under consumption.

7.—Wages and Earnings

The termination of hostilities caused a sudden reduction in the earnings, though not in the wage rates, of huge classes of workers, without any corresponding decrease in the cost of living. This has, no doubt, to some extent intensified the unrest, but wage grievances are not, at the present time, responsible for more than a fraction of it. At the same time there are two aspects of the wages problem in connection with which the uncertainty of the present position is already causing serious unrest.

1. Most classes of workers have put forward demands for wage increases and the incorporation in wages of war advances, with a view not merely to maintaining their pre-war position in relation to the increased cost of living, but to improving their economic position. Failure to satisfy the universal demand of the workers for a higher standard of life will undoubtedly be followed by widespread unrest. This applies not only to the highly organized, but also to the less organized groups of workers. It is the universal opinion among the workers that every worker, no matter what the trade or occupation with which he or she is connected, is entitled to a reasonable minimum standard of life, and that the existing slow and cumbrous methods of dealing with this problem by the gradual and piece-meal extension of the Trade Boards Act, in face of persistent obstruction and opposition, are entirely inadequate.

2. The wages (Temporary Regulation) Act is due to expire in May. Unless steps are taken to renew it until permanent provision has been made for dealing with wage rates in the future, unrest will be gravely increased.

8.—Hours of Labor

Probably the most important immediate cause of unrest is the question of hours of labor. Hours have been singularly little changed for a very long time past, and before the war demands were being made in many industries for a substantial reduction. The workers are now urgently demanding a higher standard of leisure, to be achieved by a reduction in working hours and the abolition of systematic overtime. If matters are allowed to drift, these demands will lead to serious unrest and possibly dislocation in practically every industry in the country. There is a strong opinion among the workers that the hours problem should be dealt with as a whole with a view to the formulation of some maximum limit applicable to all workers. Otherwise hours of labor will take a prominent place in encouraging unrest for a long time to come.

9.—Housing

Side by side with the demand for a higher standard of life and leisure comes the demand for more and better housing accommodation. Overcrowding has been an especially serious factor in the creation of unrest in many centers during the war period, and attention was drawn to this point in the reports on Industrial Unrest prepared for the Government two years ago. . . . The rapidly growing shortage of houses at the present time, and the failure to build new houses, have done a great deal to undermine working class confidence, and must now rank among the principal factors of unrest.

10.—Recognition of Trade Unions

More than one dispute recently has centered around the question of the recognition of trade unionism. Among Government employees the Police Union has been refused recognition, and serious unrest has thereby been caused. The Railway Clerks' Association only secured partial recognition from the Government

by the threat of an immediate strike, and even now serious trouble is being caused by the attempts of the Railway Executive Committee and the companies to whittle down this recognition. There has been serious delay in applying the Whitley Committee's Report to any section of Government employees, and even now it has not been applied to the Civil Service, with the result that this class of workers is in a grave state of unrest. Among employees of private firms recognition is still by no means completely or fully established —a point which has been specially brought to our notice by one Association, that of the Engineering and Shipbuilding Draughtsmen, which, although it includes practically all the draughtsmen eligible for membership, is still refused recognition. Recognition is still especially defective in the workshops, and it is clear that the failure to provide for full recognition of Trade Union Organization in and out of the workshops is responsible for a good deal of unrest.

11.—Lack of Representative Machinery

One reason why the existing unrest in industry lacks co-ordination and is difficult to express in concrete terms is that there exists no adequate machinery capable of giving constant expression to the co-ordinated demands of the whole of the workers. Numerous Committees and Conferences have been set up and summoned by the Government for various industrial and economic purposes. These have mostly been unsatisfactory and often of an unrepresentative character. There is an urgent demand for an elective body fully representative of Labor to advise the Government on economic and industrial policy in general. The absence of such a body is certainly one of the causes for the rapid extension of the present industrial unrest and for its taking in some cases an indefinite and incoherent form. Until some such really representative body is brought into existence it is to be feared that unrest will continue to possess a disorganized and largely unco-ordinated character.

12.—The Attitude of the Government and the Employers

It is not possible to discuss the question of Labor unrest without drawing attention to one important factor, both as causing of

unrest and as making it take unconstitutional directions. It is unfortunately the fact that it has been much more difficult to get prompt attention to industrial grievances during the war period in those cases in which the workers, from patriotic motives, have remained at work and endeavored to act by constitutional methods than where they have come out on strike or threatened immediate and drastic action. This suicidal policy of delaying remedial action for grievances until the workers have decided to take matters into their own hands is responsible for a great deal of preventable unrest, and there is a general opinion that both employers and the Government would be wise to take steps to insure that in future, grievances, as soon as they arise and before they reach the point of danger, should be promptly considered and dealt with on sympathetic lines.

II.—Remedies for Unrest

To the foregoing statement we append certain general suggestions as to remedies. We shall follow, as far as possible, in our discussion of remedies the order of the paragraphs setting out the causes of unrest.

1.—Control of Industry

(*a*) A substantial beginning must be made of instituting public ownership of the vital industries and services in this country. Mines and the supply of coal, railways, docks, and other means of transportation, the supply of electric power, and shipping, at least so far as ocean-going services are concerned, should be at once nationalized.

(*b*) Private profit should be entirely eliminated from the manufacture of armaments, and the amount of nationalization necessary to secure this should be introduced into the engineering, shipbuilding, and kindred industries.

(*c*) There should be a great extension of municipal ownership, and ownership by other local authorities and co-operative control of those services which are concerned primarily with the supplying of local needs.

(*d*) Key industries and services should at once be publicly owned.

(*e*) This extension of public ownership over vital industries

should be accompanied by the granting to the organized workers of the greatest practicable amount of control over the conditions and the management of the various industries.

2.—State Control and Prices

(*a*) Where an industry producing articles of common consumption or materials necessary to industries producing articles of common consumption cannot be at once publicly owned, State control over such industries should be retained.

(*b*) State control has been shown to provide some check upon profiteering and high prices, and this is a reason why it should be maintained until industries pass into the stage at which they can be conveniently nationalized.

(*c*) Many groups of capitalists at the present time are loudly claiming State assistance in re-establishing their industries upon a profit-making basis. There must be no State assistance without strict State control.

3.—Profiteering

(*a*) A determined attempt should be made in each industry by public inquiry through Royal Commissions to elicit all the facts with regard to war profiteering.

(*b*) Organized Labor in each industry or service should have the right of nominating half the membership of the Commission, the other half being appointed by the Government to represent interests similar to those represented by the Government nominees on the Coal Commission. The Government should also, in each case, appoint a Chairman. This principle should be adopted not only in constituting these Commissions, but also in the other Committees and Commissions proposed in this memorandum.

(*c*) Such an inquiry should include not only firms directly engaged in industrial production, but also subsidiary and trading concerns, and that a comprehensive attempt should be made to discover the extent and effect of combination between firms, and to lay bare any tendencies towards monopolistic combination which are at present developing in British Industry.

(*d*) In view of the enormous burden of debt which has been accumulated as a result of the war and of the methods adopted in financing the war by loan rather than by direct taxation, steps

should at once be taken to remove a considerable part of this burden by a graduated levy on capital from which property up to £1,000 would be exempt.

4.—Government Policy in Relation to Industry

The policy of selling national factories, ships, and shipyards should be immediately reversed, and both the ships and the shipyards and factories should be resumed by the State and operated as national concerns in the interest of the whole community.

5.—Unemployment, Security, and Maintenance

(*a*) We are of the opinion that a general increase in wages by improving the purchasing power of the workers would have a general and permanent effect in the direction of limiting continuous unemployment, by bringing consumption up to something more like equilibrium with production.

(*b*) A special commission should be appointed immediately to investigate and report within a specified limit of time, upon the whole problem of unemployment in the widest sense, and the attention of this Commission should be especially directed to the problem of under consumption as a cause of unemployment, and the possibility of instituting a State bonus.

(*c*) Pending the report of this Commission the Government should at once address itself to the task of preventing unemployment by all means within its power.

(*d*) We strongly urge the immediate creation of a central authority to deal with the allocation of all Government contracts in such a way as to steady the volume of employment and to co-ordinate orders given by local authorities. This central authority should co-operate closely with the National Industrial Council.

(*e*) A complete and comprehensive scheme of unemployment provision extending to all workers on a non-contributory basis should be instituted at the earliest possible moment, and this scheme should provide for adequate maintenance of those workers who are unemployed, and for the making up of maintenance pay to those workers who are under employed. All unemployed workpeople under such a scheme would be entitled to a flat rate of benefit. It would, however, be desirable that there should be, in

addition to the flat rate, a supplementary allowance for dependent children.

(*f*) This scheme should be administered directly through the trade unions, the Government maintenance pay for the unemployed being handed over in the form of a subvention to the various trade unions to administer on behalf of their own members. Where in any case direct administration through a trade union is not arranged, maintenance pay should be administered through the Employment Exchanges, but if such a system of administration is to carry any confidence the present organization of the Employment Exchanges must be drastically remodeled, and the Exchanges must be placed under the direct control of Joint Committees equally representative of the employers and trade unions.

(*g*) In addition to the provision made under such non-contributory National scheme the State should assist Trade Unions to provide an additional benefit out of their own funds by giving a subsidy from State funds equivalent to 50 per cent of the amount expended by the Union on unemployment allowances.

(*h*) Until this permanent provision is brought fully into operation it will be essential to continue, at least on the original scale, the temporary system of unemployment donation instituted on the termination of hostilities.

(*i*) It is absolutely necessary to make provision for a greater degree of security on the part of the worker. The worker who is threatened with arbitrary dismissal should, in all cases, have a prior right of appeal to his fellow workers, and wherever dismissal takes place on grounds other than those of demonstrated misconduct, the worker who is dismissed should be entitled to a payment proportionate to his period of service with the firm.

(*j*) Special provision should be made for the maintenance of widows with dependent children, and for the endowment of mothers, in order to prevent them from being forced into industry against the interest of society.

6.—Wages

(*a*) A higher standard of living for the whole working community is not only desirable but immediately possible.

(*b*) Every worker should be entitled by law to a reasonable minimum wage.

(*c*) Until full provisions securing this to all workers have been brought into actual and complete operation, the temporary system of regulating wages under the Wages (Temporary Regulation) Act should continue.

(*d*) The principle of equal pay for men and women should be universally applied, both on grounds of justice and in order that there may be no degrading of conditions in any occupation through the introduction of female labor.

7.—Hours of Labor

(*a*) A universal reduction of hours to a maximum of eight in any one day, and 44 in any one week, is immediately necessary, subject only to such modifications in particular industries or occupations as can be clearly proved to be necessary for the efficient carrying on of the service. All such modifications should be allowed only on condition that the terms secured to the workers in the industries so exempted from the strict operation of an Eight-Hour Act should be not less favorable on the whole than the terms accorded to workers under the Act.

(*b*) Power should at once be taken to reduce the number of hours worked below eight by a simple procedure, such as that of provisional order as soon as industry has been given time to readjust itself to the new conditions.

(*c*) The eight hours which should be made a legal maximum for all workers should not prevent the workers in any trade or industry either from maintaining any better conditions which they have already secured, or from securing better conditions in the future.

(*d*) Power should be taken in any Act regulating hours where a collective agreement has been arrived at between representative organizations securing a lower maximum of hours for a particular trade or occupation, to make this lower maximum compulsory for the whole trade, including those parts of it which are unorganized or unfederated.

(*e*) Any measure regulating the hours of labor should also include provisions for the prohibition of all systematic overtime, and for the payment of all overtime worked at special rates.

(*f*) Special rates of pay should apply also to night work, Sunday, and holiday work, and night work should be abolished abso-

lutely for women and children and, wherever possible, for all workers.

(*g*) Steps should immediately be taken for the international regulation of the hours of labor, and for the inclusion of a universal maximum in the terms of the International Charter of Labor.

(*h*) The fact that a trade has not reached a high state of organization should not be regarded as an excuse for long hours or bad conditions of employment.

8.—Housing

(*a*) The housing of the people must be regarded as a national responsibility, and the national resources must be utilized to the fullest extent in order to secure the immediate provision of enough houses to insure a great general improvement in housing conditions for the whole people.

(*b*) If local authorities fail, under the conditions now offered by the State, to provide houses, the State must itself at once assume the responsibility of providing the houses which are necessary, or of compelling the local authorities to do so.

(*c*) Far more regard must be given than in the past both to the conditions which are necessary for the maintenance of public health and to convenience and comfort of the working class household and especially of the housewife.

(*d*) Provision must be made for the fullest participation of working class representatives, including women, directly chosen by the workers, in seeing that this scheme is carried properly and completely into effect.

9.—Recognition of Trade Unions

All trade unions and federations and associations of trade unions recognized by the Labor Movement itself must receive full recognition both from the employers and from the State and the local authorities.

10.—Creation of Representative Machinery

Some national machinery fully representative of the employers and of Labor to advise the Government in relation to all issues affecting industry generally should be brought into being at the

earliest possible moment. This body should possess the full confidence of Labor, and should have the most democratic constitution that can possibly be secured. Without interfering where adequate machinery already exists, such an industrial council would form a useful medium for negotiation on questions affecting mutual relations of employers and workers in general, and on all questions of general industrial and economic policy.

11.—The Attitude of the Government and of the Employers

(*a*) A drastic change in the attitude of the Government Departments which deal with Labor is essential.

(*b*) It should be regarded as the duty of any Government Department employing Labor or entering into contracts which involve the employment of Labor, to insure for all workers in its direct or indirect employment an adequate standard of life, and the best possible conditions of employment.

(*c*) Any claim or demand put forward by a body of workers should be immediately attended to, whether or not a strike has taken place and whether or not notice of strike has been given, without waiting for the organized workers to demonstrate their determination to take action. The Government should aim at being beforehand with unrest by removing all legitimate grievances as soon as they arise.

(*d*) The indefensible delay of the Ministry of Labor in setting up Trade Boards must come to an end, and the machinery of the Trade Boards Act must be put into operation at once for all the less organized trades and occupations.

(*e*) The employer, if he desires to prevent Labor unrest, should regard it as part of his responsibility to secure to all the workers whom he employs the best possible conditions of life and the earliest possible removal of all grievances.

(*f*) The habitual use now made by employers of machinery of conciliation and negotiation for the purpose of delaying the settlement of industrial demands must be discontinued.

(*g*) It is essential that all machinery of negotiation should be capable of rapid operation, and that it should in no case be used for the purpose of delaying a decision, and that with a view to insuring that it will not be so used, all awards and agreements should be made retrospective to the date of the original claim.

Conclusions

The fundamental causes of Labor unrest are to be found rather in the growing determination of Labor to challenge the whole existing structure of capitalist industry than in any of the more special and smaller grievances which come to the surface at any particular time.

These root causes are twofold—the breakdown of the existing capitalist system of industrial organization, in the sense that the mass of the working class is now firmly convinced that production for private profit is not an equitable basis on which to build, and that a vast extension of public ownership and democratic control of industry is urgently necessary. It is no longer possible for organized Labor to be controlled by force or compulsion of any kind. It has grown too strong to remain within the bounds of the old industrial system and its unsatisfied demand for the re-organization of industry on democratic lines is not only the most important, but also a constantly growing cause of unrest.

The second primary cause is closely linked with the first. It is that, desiring the creation of a new industrial system which shall gradually but speedily replace the old, the workers can see no indication that either the Government or the employers have realized the necessity for any fundamental change, or that they are prepared even to make a beginning of industrial re-organization on more democratic principles. The absence of any constructive policy on the side of the Government or the employers, taken in conjunction with the fact that Labor, through the Trades Union Congress and the Labor Party and through the various Trade Union Organizations, has put forward a comprehensive economic and industrial program, has presented the workers with a sharp contrast from which they naturally draw their own deductions.

It is clear that unless and until the Government is prepared to realize the need for comprehensive reconstruction on a democratic basis, and to formulate a constructive policy leading towards economic democracy, there can be at most no more than a temporary diminution of industrial unrest to be followed inevitably by further waves of constantly growing magnitude.

The changes involved in this reconstruction must, of course, be gradual, but if unrest is to be prevented from assuming dangerous

forms an adequate assurance must be given immediately to the workers that the whole problem is being taken courageously in hand. It is not enough merely to tinker with particular grievances or to endeavor to reconstruct the old system by slight adjustments to meet the new demands of Labor. It is essential to question the whole basis on which our industry has been conducted in the past and to endeavor to find, in substitution for the motive of private gain, some other motive which will serve better as the foundation of a democratic system. This motive can be no other than the motive of public service, which at present is seldom invoked save when the workers threaten to stop the process of production by a strike. The motive of public service should be the dominant motive throughout the whole industrial system, and the problem in industry at the present day is that of bringing home to every person engaged in industry the feeling that he is the servant, not of any particular class or person, but of the community as a whole. This cannot be done so long as industry continues to be conducted for private profit, and the widest possible extension of public ownership and democratic control of industry is therefore the first necessary condition of the removal of industrial unrest.

ARTHUR HENDERSON, *Chairman.*
G. D. H. COLE, *Secretary.*

ENCLOSURE A

Dividends.

Appended is a list of a few firms in various industries, showing the dividends declared on deferred and ordinary stocks. Those afford a *rough* measure of prosperity; no complete indication can be given without an exhaustive examination of the concern's finances. Thus the actual prosperity may be lower, if no dividends, or lower dividends, have been declared in previous years, or if the ordinary shares represent a relatively small portion of the capital employed; on the other hand, low dividends may be coincident with very large profits, where these are placed to reserve, or capitalized as bonus-shares. An increase in dividend, however, pretty definitely indicates a definite increase in prosperity, though the corresponding inference cannot be drawn from a decrease in dividend. In the list given below an x denotes that the dividends are free of income-tax.

Shipping.—See Special Table.

SHIPPING

Earnings and Dividends for the Past Five Years of Leading Steamship Companies

(Selected from "Syren and Shipping," January 1st, 1919)

	1917		1916		1915		1914		1913	
	Gross Earnings	Dividends	Gross Earnings	Dividends	Gross Earnings	Dividends	Gross Earnings	Dividends	Gross Earnings	Dividends
P. & O. Group—	£	%	£	%	£	%	£	%	£	%
P. & O. Steam Navigation Co.	782,359	18	762,456	18	654,462	18	494,160	15	291,469	15
British India S.N.C.	222,687	12	226,650	12	228,539	12	205,343	10	193,175	7 2/3
Elder Dempster Group—										
Elder Dempster & Co.	366,808	10	358,078	10	349,334	9	325,940	8	307,379	8
Royal Mail Steam Packet Co.	724,902	7	737,972	7	803,313	6	91,446	5	—	—
Argentine Navigation Co.	x	x	125,163	6	320,262	—	189,671	—	246,747	—
Lamport & Holt	350,129	10	554,699	10	432,756	10	227,594	8	254,528	8
Cunard Group—										
Cunard Steamship Co.	3,999,917	20	6,820,252	20	4,457,410	20	4,078,675	20	3,659,773	20
Anchor Line (Henderson Bros.)	309,398	10	366,955	10	323,539	20	307,273	15	314,572	15
Mitre Shipping Co.	28,943	10	63,167	10	82,586	15	61,270	12½	28,106	—
Booth Steam Ship Co.	217,357	10	351,202	10	328,123	10	225,261	10	154,821	—
Indo-China Steam Navigation Co.	587,550	56	442,527	50	297,855	6	78,182	3	115,197	5
Furness Withy Group—										
Furness Line	645,077	20	787,564	20	1,386,960	20	418,221	10	374,987	10
Prince Line	267,583	20	433,553	30	498,259	30	374,083	19	291,196	5
Manchester Liners	111,545	25	174,142	25	186,669	25	205,842	15	107,475	6
Gulf Line	116,829	10	332,310	20	208,336	20	52,128	5	78,119	5
"White Star" Group—										
Leyland Line	x	x	365,387	10	1,441,689	10	620,839	—	589,810	—
Oceanic Steam Navigation Co.	1,191,838	20	2,123,005	20	1,803,817	65	795,955	35	1,082,227	65
France, Fenwick & Co.	166,946	25	260,353	25	221,667	20	95,398	15	108,897	12
Nitrate Producers' Steamship Co.	220,894	30	425,660	30	404,021	25	151,905	18	135,985	12½
Britain Steamship Co.	122,778	25	246,102	30	242,108	30	75,374	10	127,943	12½
Shell Transport & Trading Co.	2,655,536	35	1,613,725	35	1,647,234	35	1,553,484	35	1,506,983	35

Coal and Iron and Steel Companies.

Pearson Knowles and Co., 45 per cent. (1918).

Sheepbridge Coal and Iron Co., 15 per cent. x (1917) 12½ per cent. x (1918).

Walter Scott, 15 per cent. x (1917).

Consett Iron Co., 40 per cent. x (1917).

Staveley Coal and Iron Co., 15 per cent. x (1917), 12½ per cent. x (1918).

Shott's Iron Co., 35 per cent. x (1917).

North Lonsdale Iron and Steel Co., 25 per cent. (1917).

Millom and Askham Hematite Iron Co., 15 per cent. (1917), 15 per cent. (1918).

Hadfields, Ltd., 30 per cent. (1917).

Consett Iron Co., 40 per cent. (1918).

Engineering (including Armaments) and Shipbuilding.

Birmingham Small Arms Co., 20 per cent. x (1917), 20 per cent. (1918).

Vickers, Maxim and Co., 16½ per cent. (1917), 12½ per cent. (1918).

Armstrong Whitworth and Co., 12½ per cent. (1918).

Mather and Platt, 17½ per cent. (1917), 17½ per cent. x (1918).

J. I. Thorneycroft and Sons, 17½ per cent. (1917).

Textile.

Bradford Dyers' Association, 17½ per cent. (1917), 17½ per cent. (1918).

J. and P. Coats (sewing cotton), 30 per cent. (1917), 30 per cent. (1918).

English Sewing Cotton, 20 per cent. (1918).

Shipping Vale Spinning Co., 15 per cent. x (1918).

Pine Spinning Co., 20 per cent. (1918).

Holywood Spinning Co., 20 per cent. (1918).

Moorfield Spinning Co., 16⅔ per cent. (1918).

May Mill Spinning Co., 53⅓ per cent. (1918).

Lion Spinning Co., 35 per cent. (1918).

ENCLOSURE B

Bonus Shares, Etc.

Many companies have recently capitalized reserves by issuing bonus-shares to the shareholders, either free, or at a price below the market value. In this way money that has been accumulated as reserve funds is distributed to the shareholders, and begins to earn dividends at

the same rate as the ordinary shares. Thus Brunner Monds declared a dividend of 27½ per cent. for several years, in one year they issued bonus-shares, and declared only a dividend of 11 per cent. the following year, although the amount received by the shareholders was exactly the same as before.

ENCLOSURE C

Reserve Funds.

Many Companies are placing increasingly large sums to their reserve funds, generally for the ostensible purpose of providing as much security as possible for the uncertain times ahead.

The General Electric Company, while declaring the same dividend (10 per cent. x) for 1918 as for 1917, placed £100,000 to reserve in 1918 as against £40,000 in 1917, and carried forward £145,286, as against £89,786.

In 1917 Leach's Argentine Estates placed £114,000 to reserve, as against £12,800 in the previous year. Instances could be indefinitely multiplied.

CHAPTER II

THE NATIONALIZATION OF MINES AND MINERALS BILL, 1919

A Bill to Nationalize the Mines and Minerals of Great Britain and to Provide for the National Winning, Distribution, and Sale of Coal and Other Minerals

Whereas it is expedient that mines and minerals should be taken into the possession of the State.

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled, and by the authority of the same, as follows:

1. (1) For the purpose of winning, distributing, selling, and searching for coal and other minerals, there shall be established by His Majesty by Warrant under the sign manual, a Mining Council, consisting of a President and 20 members, ten of whom shall be appointed by His Majesty and ten by the Association known as the Miners' Federation of Great Britain.

(2) It shall be lawful for His Majesty, from time to time, to appoint any member of the Privy Council to be President of the Mining Council, under the name of the Minister of Mines, to hold office during His Majesty's pleasure.

(3) The Members of the Mining Council, other than the President, shall be appointed for five years, but shall be eligible for reappointment. Provided that His Majesty or the Association known as the Miners' Federation of Great Britain respectively shall have power to remove any person appointed by them and appoint some other person in his place. On a casual vacancy occurring by reason of the death, resignation, or otherwise of any of such members or otherwise, His Majesty or the Miners' Federation of Great Britain, as the case may be, shall appoint some other person to fill the vacancy, who shall continue in office until

the member in whose place he was appointed should have retired, and shall then retire. The members of the Mining Council shall devote the whole of their time to the business of the Mining Council.

2. (1) The Minister of Mines and one of the Secretaries of the Mining Council (to be known as the Parliamentary Secretary and to be appointed by His Majesty) shall at the same time be capable of being elected to and of sitting in the Commons House of Parliament.

(2) The Minister of Mines shall take the oath of allegiance and official oath, and shall be deemed to be included in the First Part of the Schedule to the Promissory Oaths Act, 1868.

(3) There shall be paid out of money provided by Parliament to the Minister of Mines a salary at the rate of £2,000 a year, and to the Parliamentary Secretary a salary at the rate of £1,500 a year.

(4) The Minister of Mines and the Parliamentary Secretary shall be responsible to Parliament for the acts of the Mining Council.

3. (1) The Mining Council shall appoint a Secretary (to be known as the Permanent Secretary), and such assistant secretaries and officers and servants as the Mining Council may, with the sanction of the Treasury, determine.

(2) Subject to the provisions of Section II (2) of this Act, there shall be paid to the Permanent Secretary, Assistant Secretaries and other officers and servants such salaries or remuneration as the Treasury shall from time to time determine.

(3) There shall be transferred and attached to the Mining Council such of the persons employed under any Government Department or local authority in or about the execution of the powers and duties transferred by or in pursuance of this Act to the Mining Council as the Mining Council and the Government Department or local authority may with the sanction of the Treasury determine.

(4) Notwithstanding anything in any Act, order, or regulation, any society of workers, all or some of whose members are wholly or partly employed in or about mines, or in any other manner employed by the Minister of Mines, or the Mining Council, or a District Mining Council, or Pit Council, or otherwise under this Act, may be registered or constitute themselves to be a Trade Union, and may do anything individually or in combination which

the members of a Trade Union or a Trade Union may lawfully do. Provided further that notwithstanding any Act, order, or regulation to the contrary, it shall be lawful for any person employed under this Act to participate in any civil or political action in like manner as if such person were not employed by His Majesty, or by any authority on his behalf.

Provided, further, that no such person shall suffer dismissal or any deprivation of any kind as a consequence of any political or industrial action, not directly forbidden by the terms of his employment, or as a consequence of participation in a strike or trade dispute.

4. (1) The Mining Council shall be a Corporation to be known by the name of the Mining Council and by that name shall have perpetual succession, and may acquire and hold land without license in mortmain.

(2) The Mining Council shall have an official seal, which shall be officially and publicly noticed, and such seal shall be authenticated by the Mining Council or a secretary or one of the assistant secretaries, or some person authorized to act on their behalf.

(3) The Mining Council may sue and be sued without further description under that title.

(4) Every document purporting to be an order, license, or other instrument issued by the Mining Council, and to be sealed with their seal, authenticated in manner provided by this Act, or to be signed by a secretary or by one of the assistant secretaries, or any person authorized to act, shall be received in evidence and be deemed to be such order, license, or other instrument without further proof unless the contrary is shown.

(5) Any person having authority in that behalf, either general or special, under the seal of the Mining Council may, on behalf of the Mining Council, give any notice or make any claim, demand, entry, or distress, which the Mining Council in its corporate capacity or otherwise might give or make, and every such notice, claim, demand, entry, and distress shall be deemed to have been given and made by the Mining Council.

(6) Every deed, instrument, bill, check, receipt, or other document, made or executed for the purpose of the Mining Council by, to, or with the Mining Council, or any officer of the Mining Council, shall be exempt from any stamp duty imposed by any Act, past or future, except where that duty is declared by the

document, or by some memorandum endorsed thereon, to be payable by some person other than the Mining Council, and except so far as any future Act specifically charges the duty.

5. (1) On and after the appointed day, save as in Sub-Section 3 of this Section, provided:

(*a*) Every colliery and mine (including all mines, quarries, and open workings of ironstone, shale, fireclay, and limestone, and every other mine regulated under the Metalliferous Mines Regulation Acts, 1872 and 1875, but not including mines, quarries, or open workings of minerals specified in the First Schedule to this Act), whether in actual work, or discontinued, or exhausted, or abandoned, and every shaft, pit, borehole, level, or inclined plane, whether in course of being made or driven for commencing or opening any such colliery or mine, or otherwise, and all associated properties (including vessels, lighters, railway rolling stock, and all works, including works for the manufacture of by-products, in the opinion of the Mining Council belonging to any mine undertaking or connected with any colliery or mine, and every house belonging to the owners of any such colliery or mine, which, in the opinion of the Mining Council, is usually occupied by workmen employed at such colliery or mine), (all of which are herein included in the expression "mine"); and

(*b*) all coal, anthracite, lignite, ironstone, shale, fireclay, limestone, or other mineral, excepting the minerals specified in the First Schedule to this Act, whether at present being worked or not worked, or connected or not connected with any mine, beneath the surface of the ground (all of which are herein included in the expression "minerals"); and

(*c*) all rights and easements arising out of, or necessary to the working of any mine or the winning of any mineral, including all mineral wayleaves, whether air-leaves or water-leaves, or rights to use a shaft, or ventilation or drainage or other royalties, lordships, or rights in connection therewith, whether above or below the ground (all of which are herein included in the expression "rights")

shall be transferred to, vested in, and held by the Mining Council in their corporate capacity in perpetuity, and shall for all purposes be deemed to be royal mines, and the minerals and rights thereof respectively.

(2) The Acts contained in the Second Schedule to this Act are hereby repealed.

(3) Provided that the Mining Council may at any time before the appointed day give notice in writing to the owner of, or person interested in, any mine or minerals or rights, disclaiming, during the period of such disclaimer, all or part of the property in such mine or minerals or rights to the extent specified in the notice, and thereafter such mine or minerals or rights shall, until such time as the Mining Council shall otherwise determine, to the extent specified in such notice, not vest in the Mining Council as provided by Sub-section (1) of this section. Provided that in such case it shall not be lawful for any person other than the Mining Council, without the permission of the Mining Council, to work such mine or minerals in any way. Provided further that on the termination of such disclaimer by the Mining Council, such mine or minerals or rights shall, to the extent of such notice, as from such date as the notice may prescribe, vest in the Mining Council as if such notice of disclaimer had not been given.

6. The Mining Council shall purchase the mines of Great Britain in them vested by this Act (other than those which are the property of the Crown at the time of the passing of this Act or which have been disclaimed in whole or in part in accordance with Section 5 (3) of this Act) at the price and in the manner provided by this Act. Provided always that the value of any rights as defined by Section 5 (1) (*c*) of this Act shall not be taken into account in computing such price, for all of which no compensation shall be paid.

7. (1) For the purpose of assessing the purchase price of mines it shall be lawful for His Majesty, by warrants under the sign manual, to appoint ten Commissioners, to be styled the Mines Purchase Commissioners (herein called the Commissioners), of whom one, appointed by His Majesty, shall be Chairman.

(2) Three of the said Commissioners shall be nominated by the Association known as the Miners' Federation of Great Britain, and three by the Association known as the Mining Association of Great Britain.

(3) At the expiration of twelve months from the passing of this Act, in the event of a majority of the Commissioners failing to agree as to the purchase price of a particular mine or of its associated properties, it shall be lawful for the Chairman himself to fix the purchase price of such mine, which price shall then be deemed to be the price fixed by the Commissioners, but, save as herein expressly provided, the finding of a majority of the Commissioners voting on any question or as to the purchase price of mines shall be final and conclusive and binding on all parties.

(4) It shall be lawful for His Majesty to remove any Commissioner for inability or misbehavior. Every order of removal shall state the reasons for which it is made, and no such order shall come into operation until it has lain before the Houses of Parliament for not less than thirty days while Parliament is sitting.

(5) The Commissioners may appoint and employ such assessors, accountants, surveyors, valuers, clerks, messengers, and other persons required for the due performance of their duties as the Treasury on the recommendation of the Commissioners may sanction.

(6) There shall be paid to the Commissioners and to each of the persons appointed or employed under this section such salary or remuneration as the Treasury may sanction; and all such salaries and remuneration and the expenses of the Commission incurred in the execution of their duties, to such amount as may be sanctioned by the Treasury, shall be paid out of moneys provided by Parliament.

8. (1) The Commissioners shall, as soon as may be after the passing of this Act, cause a valuation to be made of all mines other than those disclaimed, whether or not developed or working or abandoned or exhausted, in Great Britain, showing what on August 4th, 1914, and what at the date of the passing of this Act was respectively the total ascertained value of each mine and its associated properties and the rights, as defined by Section 5 (1) (*c*) of this Act, therein, and the total ascertained value of such mine and its associated properties respectively exclusive of such rights; and the owner of every mine and any person receiving any rents, interest, or profit from any mine or possessed of any rights therein or connected therewith, on being required by notice by the Commissioners, shall furnish to the Commissioners a return

containing such particulars as the Commissioners may require as to his property, rent, interest, profits, or rights in such mine.

(2) The Commissioners may likewise cause any mine to be inspected, require the production of documents, or do any other thing which may, in their opinion, be necessary to fix the purchase price of the mine or its associated properties.

(3) The Commissioners in making such valuation shall have regard to returns made under any statute imposing duties or taxes or other obligations in respect of mines, or minerals, or rights, and to any information given before or to any Commission or Government Department, including the Coal Industry Commission constituted under the Coal Industry Commission Act. 1919.

9. (1) The purchase price of mines exclusive of associated properties (other than mines in the possession of the Crown at the time of the passing of this Act shall be computed subject to the provisions of Sub-sections (2) and (3) of this section by ascertaining the average annual number of tons of minerals actually raised during the five years preceding August 4th, 1914:

Provided that as regards coal-mines in no case shall the maximum purchase price, exclusive of associated properties, be taken to be more than the following:

	s.	d.	
When 100,000 tons or less have been raised per annum on the average during such five preceding years, a capital sum equal to one such year's output at	12	0	per ton
When more than 100,000 tons have been raised per annum on the average during such five preceding years, a capital sum equal to one such year's output at	10	0	per ton

(2) The Commissioners in arriving at such computation shall also have regard to the actual gross and net profits which have been made in the mine during such years or thereafter and to the amounts which may have been set aside from time to time for depreciation, renewals, or development, and to the probable duration of the life of the mine, and to the nature and condition of such mine, and to the state of repairs thereof, and to the assets and liabilities of any mine undertaking existing at the time of purchase which are transferable to the Mining Council under Section 16 of this Act.

(3) Provided further that where a coal-mine, in the opinion of the Commissioners, has not been fully developed, the amount which would be raised under full development without any increase of capital expenditure shall be taken as the average annual number of tons raised, and the maximum purchase price in such case shall be taken to be a capital sum equal to the product of such number of tons and 12s. or 10s. per ton respectively, for the purpose of ascertaining the maximum value per ton under Sub-section (1) of this section.

10. (1) The purchase price of any mine and such of its associated properties as have been purchased, as ascertained under the provisions of this Act, shall be paid by the Mining Council in mines purchase stock to the persons who, in the opinion of the Mining Council, have established their title to such stock. Provided that an appeal shall lie to the High Court under rules to be framed by the High Court from the decision of the Mining Council as to the title of any such persons, but for no other purpose.

(2) For the purpose of paying such purchase price the Treasury shall, on the request of the Mining Council, by warrant addressed to the Bank of England direct the creation of a new capital stock (to be called "Guaranteed State Mines Stock"), and in this Act referred to as "the stock," yielding interest at the rate on the nominal amount of capital equal to that payable at the date on which this Act received Royal Assent on what, in the opinion of the Treasury, is the nearest equivalent Government Loan Stock.

(3) Interest shall be payable by equal half yearly or quarterly dividends at such times in each year as may be fixed by the warrant first creating the stock.

(4) The stock shall be redeemed at the rate of one hundred pounds sterling for every one hundred pounds of stock at such times and by such drawings as the Treasury, on the recommendation of the Mining Council, may think fit.

(5) The stock may be issued at such times and in such amounts and subject to such conditions as the Treasury may direct, and may be issued as bearer bonds with quarterly or half yearly interest coupons attached.

(6) The stock shall be transferable in the books of the Bank of England in like manner as other stock is transferable under the National Debt Act, 1870.

11. (1) Subject to the provisions of this Act, it shall be lawful

for the Mining Council to open and work mines and search for, dig, bore, win, and deal with minerals and generally to carry on the industry of mining, distributing, vending, and exporting, together with all other industries carried on in connection therewith. Provided that it shall not be lawful for the Mining Council to lease or sell any mine or minerals or rights to any person, association, or corporation.

(2) The Mining Council may, from time to time, in such manner and on such terms as they think fit:

(*a*) subject to the general consent of the Treasury, appoint or continue in employment or dismiss managers, engineers, agents, clerks, workmen, servants, and other persons; and

(*b*) construct, erect, or purchase, lease, or otherwise acquire buildings, plant, machinery, railways, tramways, hulks, ships, and other fixed or movable appliances or works of any description, and sell or otherwise dispose of the same when no longer required; and

(*c*) sell, supply, and deliver fuel, coal, and other products, the result of mining operations, either within or without the realm; and

(*d*) enter into and enforce contracts and engagements; and

(*e*) generally do anything that the owner of a mine might lawfully do in the working of the mine, or that is authorized by regulations under this Act or by this Act; and

(*f*) employ local authorities for any purpose they may think necessary to carry out their duties under this Act, on such terms as may be mutually agreed.

(3) In addition to the powers conferred on the Mining Council by the last preceding sub-section, the Mining Council may, in such manner as they think fit, work any railway, tramway, hulk, ship, or other appliance for the purpose of winning, supplying, and delivering coal or other products.

(4) The Mining Council may compulsorily purchase land or acquire such rights over land as they may require for the purpose of this Act, and shall have, with regard to the compulsory purchase of land, all the powers of purchasers acting under the Land Clauses Act, 1845, and the Land Clauses Consolidation (Scotland) Act, 1845, or any other Act giving power to acquire land compulsorily for public purposes, which may hereafter be enacted.

(5) With respect to any such purchase of land under the Land Clauses Acts in Great Britain the following provisions shall have effect (that is to say):

(*a*) The Land Clauses Acts shall be incorporated with this Act, except the provisions relating to access to the special Act, and in construing those Acts for the purposes of this section "the special Act" shall be construed to mean this Act, and "the promotors of the undertaking" shall be construed to mean the Mining Council, and "land" shall be construed to have the meaning given to it by this Act.

(*b*) The bond required by Section 85 of the Lands Clauses Consolidation Act, 1845, and by Section 84 of the Lands Clauses Consolidation (Scotland) Act, 1845, shall be under the seal of the Mining Council, and shall be sufficient without sureties.

12. (1) The Mining Council shall, for the purpose of the carrying on and development of the mining industry, divide Great Britain into districts, and shall in each district constitute a District Mining Council of ten members, half of which shall be appointed by the Miners' Federation of Great Britain.

(2) The Mining Council may delegate to any District Mining Council or Pit Council, such of their powers under this Act as may conveniently be exercised locally, and the District Mining Council shall upon such delegation have and exercise within their district all the powers and duties of the Mining Council as may be delegated to them.

(3) A District Mining Council shall, subject to the approval of the Mining Council, have power within their area to appoint Pit Councils for each mine or group of mines, composed of ten members, half of which shall be members of the Miners' Federation of Great Britain, and nominated by the workers of the mine or groups of mines aforesaid, and the District Mining Council may delegate to such Pit Council such of their powers concerning the immediate working or management of a particular mine or group of mines as the District Mining Council may, subject to the approval of the Mining Council, think fit.

(4) The members of District Mining Councils shall be appointed for three years, but shall be eligible for reappointment, and the

members of Pit Councils shall be appointed for one year, but shall be eligible for reappointment.

13. (1) For the purpose of advising the Mining Council it shall be lawful for His Majesty to appoint persons, to represent the interests of consumers, to be known as the Fuel Consumers' Council.

(2) The Mining Council shall have power to convoke at such time as they think fit and under such regulations and conditions as they may prescribe advisory conferences of representatives of District Mining Councils, and the District Mining Councils shall have power in like manner to convoke advisory conferences of Pit Councils within their area.

(3) The expenses of the Fuel Consumers' Council, National and District Mining Conferences shall, subject to the approval of the Treasury, be paid by the Mining Council.

14. There shall be paid to each of the members of the Mining Council, other than the President, such salary as the Treasury may determine, and to the members of the District Mining Councils, and to the Pit Councils, such salaries and emoluments as the Mining Council, with the consent of the Treasury, may determine.

15. (1) The Mining Council shall cause full and faithful accounts to be kept of all moneys received and expended under this Act, and of all assets and liabilities and of all profits and losses, and shall annually lay such accounts before Parliament.

(2) The Mining Council shall annually cause a balance-sheet of accounts to be made, including a capital account and a profit and loss account for each mine worked under this Act.

(3) Such balance-sheet and statement shall be so prepared as to show fully and faithfully the financial position of each such mine, and the financial result of its operations for the year.

(4) All moneys raised under the authority of this Act shall, as and when raised, and all other moneys received hereunder shall, as and when received, be paid into a separate account called "The National Mines Account."

(5) All moneys withdrawn from the National Mines Account constituted under this Act shall be withdrawn only by the order of the Mining Council or such other person as the Mining Council may from time to time appoint.

(6) All moneys in the National Mines Account, or payable into that account by any person whomsoever, and also all moneys owing

by any person under this Act, are hereby declared to be the property of the Crown, and recoverable accordingly as from debtors to the Crown.

16. (1) There shall be transferred to the Mining Council all the existing assets and liabilities of mine undertakings and associated properties, as and when they are transferred to and vested in the Mining Council, other than liabilities for rights including royalty rents, wayleave rents, or any other underground rents or charges, payable or due at the time of the passing of this Act to any person, all of which shall cease to be payable on and after the appointed day.

(2) On the passing of this Act, there shall be ascertained by the Commissioners the amount of all moneys due to or from all mine undertakings, and the findings of the Commissioners as to the amount of such moneys shall be binding and conclusive on all parties.

(3) The net amount of all moneys due to any mine undertaking, after all debts due from any such undertaking have been deducted, as ascertained under Sub-section (2) of this section, shall be paid by the Mining Council to the persons to whom in the opinion of the Commissioners such debts are due, and shall be deemed to be expenses incurred under this Act. Provided that an appeal shall lie to the High Court, under rules to be framed by the High Court, from the decision of the Commissioners as to the title of any such person, but for no other purpose.

17. (1) All sums expended or payable under this Act in carrying out the provisions of this Act for expenses, or for salaries or wages payable under this Act, or in the construction, erection, or acquisition of buildings, plant, machinery, railways, tramways, hulks, ships, or other appliances or works, or otherwise, shall be payable out of moneys provided by Parliament.

(2) Provided that moneys received under this Act in respect of the sale or export or supply of coal or other minerals (including the moneys received from the Government Departments) may be directly expended in or towards carrying out the purposes of this Act.

18. After full provision has been made for all outgoings, losses, and liabilities for the year (including interest on securities created and issued in respect of moneys raised as aforesaid, and on moneys paid out of the Consolidated Fund), the net surplus profits then

remaining shall be applied in establishing a sinking fund and, subject thereto, in establishing a depreciation fund in respect of capital expended.

19. (1) The Mining Council may, from time to time, make such regulations as they think necessary for any of the following purposes:

(*a*) The management of mines under this Act;
(*b*) the functions, duties, and powers of the District Mining Councils, Pit Councils, and other bodies or persons acting in the management and working of mines or distribution and sale of fuel under this Act;
(*c*) the form of the accounts to be kept and the balance sheets to be prepared in respect of mines under this Act;
(*d*) the mode in which the sinking funds and other funds connected with mines under this Act shall be held and administered;
(*e*) generally any other purpose for which, in the opinion of the Mining Council, regulations are contemplated or required.

(2) The Mining Council, before making or altering any regulations or conditions of employment, including wages, as affect workmen engaged in the mining industry, shall consult with the association known as the Miners' Federation of Great Britain, and, in the event of such representatives and the Mining Council failing to agree, the matter in dispute may be referred to arbitration on such terms as may be mutually agreed.

(3) Provided that nothing in this section shall be deemed to interfere with the right of any employed person, subject to his contractual obligations, to dispose of his labor as he wills.

20. (1) Every mine worked under this Act shall be managed and worked subject to the provisions of the Metalliferous Mines Regulations Acts, 1872 and 1875, the Coal Mines Regulation Act, 1908, the Coal Mines Act, 1911, and any other Act regulating the hours, wages, or conditions of labor in mines.

(2) There shall be transferred to and be vested in the Mining Council all the powers and duties of the Secretary of State and of any other Government Department imposed upon them by the Metalliferous Mines Regulations Acts, 1872 and 1875, the Coal Mines Regulation Act, 1908, the Coal Mines Act, 1911, or any

other Act regulating or affecting mines or the hours or conditions of labor therein.

21. (1) It shall be the duty of the Mining Council to insure that there is a sufficient supply of fuel at reasonable prices throughout Great Britain, and for this purpose it shall be lawful for the Mining Council, or for any local authority or Government Department acting on their behalf, to establish stores and depots and to employ vehicles and to use all other necessary means for the selling of fuel and to sell fuel within the area of every local authority, and, further, for this purpose it shall be the duty of the railway companies or authorities of Great Britain to provide such facilities for the conveyance of fuel as the Mining Council may deem necessary to enable them to carry out the duties imposed upon them by this section at rates not greater than such railway companies or authorities are now entitled to charge for the conveyance of fuel.

(2) Where the Mining Council delegates to any local authority all or any of their powers under this section, it shall be lawful for such local authority to exercise all or any of the powers of the Mining Council so delegated to them.

(3) All moneys had and received or expended by a local authority under this section shall be deemed to be had and received or expended on behalf of the Mining Council.

22. This Act may be cited as the Nationalization of Mines and Minerals Act, 1919, and this Act and the Metalliferous Mines Regulations Acts, 1872 and 1875, and the Coal Mines Regulation Acts, 1887 and 1908, and the Coal Mines Act, 1911, may be cited together as the Mines Acts, 1872-1919, and shall come into operation on the first day of the second month, which shall be the appointed day, after the passing of this Act, and, save in the case of disclaimer, all valuations, purchase, and transference of mines and minerals to the Mining Council, and all other arrangements for the carrying out of this Act shall be concluded on or before the first day of the second year after the coming into operation of this Act.

23. This Act shall not apply to Ireland.

FIRST SCHEDULE

Minerals excluded from this Act:

Sandstone.	Slate.	Building Clay.
Granite.	Chalk.	Gravel and Sand.
Cherts.	Flints.	Igneous Rocks.

SECOND SCHEDULE

Enactments Repealed

Session and Chapter.	Title or Short Title.	Extent of Repeal.
1 William and Mary, ch. 30.	An Act to repeal the statute made in the fifth year of King Henry IV. against multiplying gold and silver.	The Whole Act
5 William and Mary, ch. 6.	An Act to prevent disputes and controversies concerning Royal Mines.	The Whole Act
55 George III, ch. 134.	An Act for altering the rate at which the Crown may exercise its right of pre-emption of Ore in which there is lead.	The Whole Act
1 James I. of Scotland, ch. 12.	Mines of Gold and Silver pertains to the King.	The Whole Act
12 James VI. of Scotland, ch. 31.	Anent the Tenth Part of Mynis.	The Whole Act

CHAPTER III

PRECIS OF EVIDENCE

SUBMITTED TO THE COAL INDUSTRY COMMISSION BY G. D. H. COLE, M.A., FELLOW OF MAGDALEN COLLEGE, OXFORD; HON. SECRETARY, LABOR RESEARCH DEPARTMENT; EXECUTIVE MEMBER, NATIONAL GUILDS LEAGUE

Introductory

1. It is stated in paragraph IX of the Interim Report signed by the Chairman and three other members of the Commission that, "even upon the evidence already given, the present system of ownership and working in the coal industry stands condemned, and some other system must be substituted for it."

In this opinion I concur.

2. Six of the members of the Commission state in paragraph 3 of the Summary of Conclusions in their Interim Report that, "in view of the impossibility of tolerating any unification of all the mines in the hands of the Capitalist Trust . . . in the interests of the consumers as much as in that of the miners, nationalization ought to be, in principle, at once conceded."

In this opinion I also concur.

3. In paragraphs X and XI of the Interim Report signed by the Chairman and three other members of the Commission (but not in paragraph IX) nationalization and joint control appear to be presented as mutually inconsistent alternatives. Whether this is so or not would appear to depend upon the parties among whom the control is shared or divided.

4. In paragraph XII of the same report it is stated that no scheme for joint control has been placed before the Commission; but among the papers circulated to me is a statement submitted by Mr. Straker, who gave evidence on behalf of the Miners' Federation of Great Britain, and this statement embodies a scheme of national ownership combined with joint control by the miners and the State.

With this scheme I am generally, and largely in detail, in agreement.

5. In July, 1918, the Conference of the Miners' Federation at Southport unanimously adopted the following resolution:

> "That in the opinion of this Conference the time has arrived in the history of the coal-mining industry when it is clearly in the national interest to transfer the entire industry from private ownership and control to State ownership, with joint control and administration by the workmen and the State. In pursuance of this opinion, the National Executive are instructed to immediately reconsider the Draft Bill for the Nationalization of the Mines . . . in the light of the new phases of development in the industry, so as to make provision for the aforesaid control and administration when the measure becomes law."

This resolution seems to me to embody the policy that ought to be adopted in the reorganization of the coal-mining industry which is admitted to be necessary by all those members of the Commission who have not a direct financial interest in the retention of the existing system.

My reasons for desiring a system of ownership and control similar to that advocated by Mr. Straker fall under a number of heads:

(a) Reasons for desiring direct and adequate participation by the workers in the management.

(b) Reasons for desiring participation of persons nominated by the State in the management.

(c) Reasons for desiring national ownership.

Reasons for Workers' Participation

6. The workers employed in and about collieries should assume a direct and increasing share in the management, not only in order that the principles of democracy may be applied to industrial organization, but also in the interest of the consumers and of the community. We have reached a stage in certain vital industries, including coal-mining, if not in industry as a whole, when the workers will no longer consent to remain within the boundaries of the wage-system.

7. By the wage-system I mean the system under which the

worker sells his labor to an employer in return for a wage, and by this sale is supposed to forego all right over the manner in which his labor is used within the terms of the wage-contract, all right to exercise control over the management of the industry or service in which he is engaged, and all claim to the produce of his labor or to the common product of the labor of himself and his fellow-workmen.

8. Thanks to the growing strength and consciousness of Trade Unionism, this wage-system is no longer fully and completely operative. Trade Unions do constantly by collective regulation of the conditions of labor, by collective bargaining, and by strikes, exercise a certain control over the way in which the labor of their members is used and even over management. But, excluded from direct participation in management and control, Trade Unions and workmen are confined in the main to the imposition of negative forms of control—*i.e.,* virtually to a veto on certain methods of using and organizing labor. Such negative regulation inevitably tends to take a restrictive form, which becomes more severe as Trade Unionism becomes stronger, until it threatens to break altogether the system—the wage-system—in which it is enclosed.

9. In the words of the Memorandum submitted by the Labor representatives to the recent Industrial Conference, "Labor has now grown too strong to be controlled by force or compulsion of any kind." The method of destroying Trade Union "restrictions" by a frontal attack upon Trade Unionism is therefore not only undesirable but in practice impossible. The only alternative is a frank acceptance of Trade Unionism, and an endeavor to convert the negative (and therefore partially restrictive) control which it now exercises into a positive (and therefore co-operative) control.

10. In other words, the problem of industry at the present time—and of the coal-mining industry in particular—is to enlist the active co-operation of the workers and of their Trade Unions in making the industry as efficient as possible.

11. This involves the establishment at once of the greatest amount of industrial democracy (that is, of direct control by the workers and their Trade Unions) that is immediately practicable, and the most rapid extension of that control that is practicable subsequently.

12. Such control is not only, or mainly, a question of wages,

hours, and conditions of labor as ordinarily understood: it includes the whole conduct of the industry, both in its productive and in its business aspects. Especially does it include the whole domain of financial and productive management and of supervision.

13. I am not unmindful of the enormous importance of technical and expert assistance, both in normal mining operations and more especially in carrying out the great changes that are necessary in connection with the reorganization of the industry. But I am of opinion both that technical and expert assistance can be combined with control by the workers at least as well as with control by private capitalists, and indeed that the natural affiliation of the brain-worker is with the manual worker rather than with the capitalist. To this point I shall return at a later stage.

14. In short, from the point of view of the coal consumer and of the community as a whole, the only way of securing efficiency in production—perhaps the only way of securing at all the continuance of the industry—is to enlist the active co-operation of the workers by agreeing at once to the assumption by them of a substantial share in control.

15. I shall now attempt to state the case for direct participation in control from the standpoint of the worker himself. Human freedom, where it exists, is not a name, but a living reality. It implies, not the absence of discipline or restraint, but the imposition of the necessary discipline or restraint either by the individual himself or by some group of which he forms, and feels himself to form, a part. A democratic or "free" system of government is one in which every individual not only has a share or vote, but also feels that his share or vote is of some effect by virtue of his community with his fellow-sharers or fellow-voters.

16. This principle of freedom should apply to industrial organization, which forms in a modern community so important and so insistent a part of a man's life. It does not apply under the existing system of conducting industry; and it cannot be made to apply fully in a day or a year. But it should be our object to apply it as fully as we can, and ever more fully.

17. If, then, a man must receive orders, he must, if he is to be free, feel that these orders come from himself or from some group of which he feels himself to be a part, or from some person whose right to give orders is recognized and sustained by himself

and by such a group. This means that free industrial organization must be built on the co-operation, and not merely on the acquiescence, of the ordinary man, from the individual and the pit up to the larger units.

18. Only the increasing adoption of this method of industrial organization can give the sense of fair treatment and active co-operation to the worker, and thereby through the removal of unrest and the stimulation of effort, efficient production and service to the consumer and to the community.

19. With the question of national ownership I deal at a later stage; but I desire to point out here that national management by itself will not secure the full co-operation of the workers. State management means in practice management by a State Department; and a State Department is not a "group of which the ordinary man feels himself to be a part." The workers under State management are no more free, so far as the conditions of their working life are concerned, than the workers under capitalist management. The question of joint control with the State is dealt with further below.

20. Joint control with the present owners or with the consumers would also be ineffective. The reasons for this are also dealt with below.

Reasons for Participation by the State

21. The "control of industry" includes two distinct functions, the actual management of productive and distributive enterprise, and the ultimate financial control. I desire to deal with these separately.

22. The reasons for State participation in actual management are, to a considerable extent, of only temporary validity. If the whole effective working personnel of the mining industry were combined in a single group possessed of a feeling of community, and including not only the workers and clerks, but also all the supervisors, professionals, and experts necessary to the conduct of the industry, direct participation by the State in the normal work of management would be unnecessary. It is my hope that this position will gradually be reached, and, to that extent, that direct State participation in management will be gradually withdrawn.

23. Until this becomes possible, the State should appoint as its

representatives on the Mining Council (excluding for the moment those appointed to represent the consumers) persons of professional or expert knowledge of mining operations.

24. The function of the State, therefore, in relation to productive management, is mainly that of safeguarding the technical efficiency of the industry until the creation of a complete Mining Guild becomes possible.

25. It is also suggested that the State appointments to the Mining Council should include persons specially appointed to represent the consumers. Whether this also would be a transitional measure I am unable to make up my mind. It is, however, clearly necessary that the consumers of coal should have some means of insuring that their views will be heard, especially in relation to questions of coal distribution and the allocation of supplies to various districts.

26. Direct appointment of the consumers' representatives by organizations representing the main groups of coal consumers has been suggested; but I am unable to agree to the suggestion for two reasons:

(1) Because the groups of consumers are changing groups, and therefore their names ought to be included in an Act of Parliament (*e.g.*, if coal distribution is made a municipal and/or a co-operative monopoly, the retail coal trader, who is now an important consumer, drops out of existence).

(2) Because I am unable to accept the view that an employers' association in, say, the steel industry is a proper representative of the consumers. The workers in the steel industry are fully as interested in the supply of coal as the employers.

These reasons are not intended to exclude consultation by the Government with consumers' associations in appointing the consumers' representatives on the Mining Council. But, pending the development of some more effective means of representing the consumers on democratic lines, the State must be regarded as the warden of the consumers' interests.[1]

[1] Since writing this passage, I have been led to concur in the view put before the Commission by Mr. Arthur Greenwood that there should be a separate Coal Consumers' Council with advisory powers, as an alternative to direct representation of the consumers on the Mining Council.

Financial Control

27. I come now to the question of ultimate financial control. This involves (a) scrutiny of the balance-sheet of the Mining Council, (b) ultimate control of prices, (c) provision of capital, (d) utilization of the balance of revenue over expenditure, and (e) methods of expropriation, redemption, etc.

28. These are functions which concern the State as the representative, not of the consumers, but of the community as an association of neighbors or citizens. Whatever may be the future structure of political society, they are for the moment functions properly to be exercised by the people's representatives in Parliament.

29. At the same time, the existing organization of Parliament does not provide for their satisfactory exercise. I suggest a Committee of the House of Commons, presided over by the Minister of Mines, to consult with the Mining Council, and to take administrative action on these matters, subject to the sanction of the House as a whole.

30. This implies that any surplus of mining revenue over expenditure or of expenditure over revenue will pass into the Budget, and that any fresh capital required, whether raised by special mining stock or otherwise, will be provided by the State. At the same time, the general financial management should be in the hands of the Mining Council.

31. Both the Mining Council and the proposed House of Commons Committee are often criticized on the ground that they undermine "Ministerial responsibility." May I respectfully record my conviction that, under existing conditions, "Ministerial responsibility" is mostly moonshine?

Reasons for National Ownership

32. The objections brought against national ownership are usually for the most part objections to bureaucratic control. The above considerations, which presuppose national ownership, show that there is no necessary connection between it and bureaucratic control.

33. National ownership of the mines is necessary for three principal reasons—(1) for the sake of the community, in order

to secure the fullest utilization and conservation of a vital natural product in the common interest; (2) for the sake of the consumer, in order to prevent exploitation and profiteering; (3) in order to give the workers the sense of working for the community, and not for the benefit of any private person.

34. Full utilization and conservation of our coal resources can only be secured by unified working, and real unification of working can only be secured by unified ownership.

35. This only leaves the two alternatives of a gigantic private trust or monopoly (either under public control or otherwise) or of national ownership.

36. A Coal Trust not under public control is obviously out of the question.

37. War-time experience of State control without ownership has proved the impossibility of either effective or efficient control without ownership. Control without ownership involves huge waste by the duplication of administrative machinery.

38. Moreover, in controlling prices without ownership the State continually falls between the two stools of cheapness and plenty. If it restricts prices, output is restricted; if it fosters output, it can only do so by permitting high prices. The retention of the motive of profit-making as the incentive in industry renders efficient State control impossible.

39. In addition, the full co-operation of the workers by hand and brain can only be secured if they feel that they are working, not for private profit, but for the benefit of the community. Just as national ownership is inadequate without workers' control, so workers' control is inadequate without national ownership.

40. It has been suggested that the full co-operation of the workers could be secured by a system of joint control between owners and workers. But real control by the workers is impossible as long as the industry continues to be conducted for the private profit of the owners alone.

41. Where this is recognized, it is sometimes suggested that the workers might be given, in law or in fact, a share in the ownership by some system of indiviual or collective profit-sharing or co-partnership.

42. In my opinion, this would not work in practice, because the motives of the owners and workers are irreconcilable with the system of private ownership.

43. Even if it could be brought into operation, its effects would be anti-social; for the profit-making motive is not improved merely by increasing the number of shareholders. The coal industry requires to be worked as a national service, free from the motive of profit-making.

44. In any case, it is hardly necessary to discuss this suggestion in detail, for it would certainly be rejected by the miners, and, as it has only been devised in the hope of making possible the continuance of private ownership, it would thereby fall at once, if it has not already fallen, to the ground.

Expropriation and Compensation

45. I do not desire to enter at all fully into this aspect of the question, on which I am not an expert.

46. I desire, however, to emphasize my view that it would be wrong to compensate the owners of mines or minerals on the basis of their past or present commercial value.

47. My reason is that this value depends upon the control which they have hitherto been able to exercise over Labor. To the extent to which they have lost this control the commercial value of their property has become unreal, and they have no title to compensation in respect of such value. They must not be placed by compensation in a more secure or more favorable position than other capitalists, who are also losing their control over Labor on which their past profits have depended.

Methods of Control

48. As I have stated, I am in general agreement with the scheme of control put forward by Mr. Straker on March 14. There are only two points which I desire to elaborate further at the present stage.

49. The first point concerns the position of professional, technical, and supervisory staffs. The members of these staffs can be roughly divided into two classes—(a) those whose function is mainly expert, and (b) those whose function is mainly the supervision or direction of other men.

50. In the case of class (a) the principle of selection must be primarily based on "qualification" and expert knowledge. In the case of class (b) it must be based primarily on personality.

51. I hold strongly that those men whose business it is mainly to direct others should be chosen by those whom it is their business to direct, either by ballot or through a Committee of Selection or a Trade Union.

52. Where persons whose function is mainly directive must also possess technical or professional qualifications, the range of choice should be restricted to persons possessing the necessary qualifications; but the principle of selection from below should be preserved.

53. There is not the same reason for the adoption of this course in the case of persons whose function is mainly or exclusively expert and advisory.

54. The second point concerns the question of centralization and local initiative in control. I hold strongly that the full co-operation of the workers can only be enlisted by a system of control which is largely localized, and includes a considerable element of direct control by the workers in each particular pit. A system of joint control nationally, or even nationally and in the proposed districts, will not be effective unless it is combined with a system of pit control.

55. At the same time, pit control will probably not at the beginning be capable of such full establishment as national and district control. It is therefore of the greatest importance that the system of control first established should be such as to admit of an increasing element of devolution, both from the Mining Council to the district, and from both to the pit.

Conclusion

56. In conclusion, I desire to emphasize my agreement with the words of paragraph XV of the Interim Report signed by the Chairman and by three other members of the Commission, that "it is in the interests of the country that the colliery workers shall in the future have an effective voice in the direction of the mine. For generations the colliery workers have been educated socially and technically. The result is a great national asset. Why not use it?"

I believe that these words can only be made good in fact by the adoption of national ownership combined with some such system of control as that which Mr. Straker outlined to the Commission.

Evidence of George Douglas Howard Cole to the Coal Industry Commission—May 2, 1919:

He spoke of:

"The aspiration on the part of a great proportion of the people in industry, including many employers, managers, and workers, which is an inspiration to serve the public."

"That motive of public service."

"Discipline by an organization in which you are conscious of your own Citizenship in the Community."

"Where the pit committee has taken other functions (in addition to control over absenteeism) into its hands, it has for a time in certain districts been a very great success. I might mention certain Derbyshire collieries."

Mr. Cole was then requested by Mr. Justice Sankey to return to the Commission with the names of those Derbyshire Committees, which had a share in direction and had been a "very great success."

He replied:

"My knowledge of these Committees is based on discussions with the Derbyshire Miners' Association of those things happening. I do not know the names of the pits the various people are employed in."

The Chairman replied:

"That piece of evidence is most important."

On May 6, Mr. Cole was recalled and said:

"I have communicated with the Derbyshire Miners' Association, and they are getting information, but it has not yet arrived."

On June 4, he was recalled, and stated:

"I went to the Miners' Federation. I heard from them a few days ago that they had been unable to get any information of value."

Mr. Justice Sankey:

"I do not understand that quite. You see you made some very definite statements about conversations you had with regard to these pit committees. I want you to tell me about that."

MR. COLE: "What I did was that I addressed a meeting of the Derbyshire Miners' Council held at Chesterfield. I cannot remember the exact date. It was either 1916 or the beginning of 1917, and in the course of the discussion and in the course of informal talking afterwards, a good deal was said about the working of particular pit committees."

SANKEY: "Can you tell me the name of a single one of them?"

MR. COLE: "I am afraid I cannot."

SANKEY: "Have you written to the Miners' Agent in Derbyshire?"

MR. COLE: "I asked the Miners' Federation to get the information for me and I only heard from them two or three days ago that they had been unable to get it."

SANKEY: "I thought you were going to be good enough to get it on your own account from Derbyshire?"

MR. COLE: "I would have done that, only I thought I should get it more effectively through the Miners' Federation, and I only knew two or three days ago that they had failed to get it."

SANKEY: "It is such a very valuable suggestion to some of us who have been thinking upon these matters, and who relied upon your promise to give us assistance. Can you not do anything more than that? Have you the name of the Derbyshire agent with whom you had a conversation?"

MR. COLE: "Amongst the people I had conversation with was Mr. Frank Hall, secretary of the Derbyshire Miners' Association."

SANKEY: "Have you written to him?"

MR. COLE: "No, because I only heard the Miners' Federation failed to do it recently."

SANKEY: "Do you know his address?"

MR. COLE: "Yes."

SANKEY: "Is it possible for you to write to him?"

MR. COLE: "Certainly."

SANKEY: "You are leaving it very late. I relied a great deal upon your promise to assist us. It leaves us in some difficulty. I am very anxious to hear about these committees which I regard as most important."

MR. COLE: "All I know about the matter is that subsequently they broke down upon a disagreement between the owner and the miners as to the matters which were legitimate to come before them."

SANKEY: "What was the dispute about?"

MR. COLE: "I think the dispute was about the right of the miners' representatives to bring before the committees matters which were not connected with absenteeism purely, but

which related to other circumstances of mine management affecting output."

SANKEY: "Then I am afraid you cannot assist us further?"

MR. COLE: "I will do what I can, but I do not quite see what I am to do."

SANKEY: "Last time I was very anxious you should assist us with that evidence. It would have assisted me personally very greatly. As you cannot do it, I am afraid you cannot. I am much obliged to you."

SECTION FOUR

THE JUDGMENT

CHAPTER I

COAL INDUSTRY COMMISSION ACT, 1919

REPORT BY THE HONORABLE MR. JUSTICE SANKEY, G.B.E.
(*Chairman*)

1. RECOMMENDATIONS

I

I recommend that Parliament be invited immediately to pass legislation acquiring the Coal Royalties for the State and paying fair and just compensation to the owners.

II

I recommend on the evidence before me that the principle of State ownership of the coal mines be accepted.

III

I recommend that the scheme for local administration hereinafter set out, or any modification of it adopted by Parliament, be immediately set up with the aid of the Coal Controller's Department, and that Parliament be invited to pass legislation acquiring the coal mines for the State, after the scheme has been worked for three years from the date of this Report, paying fair and just compensation to the owners.

IV

The success of the industry, whether under private or State ownership, depends upon productivity and upon every one doing his best. The alarming fall in output has convinced me that at present every one is not doing his best. I am not able to say whether this

is the fault of the management or of the workers or of both. Each blames the other. The cause must be investigated, but, whatever it may be, it is hopeless to expect an improvement in the present atmosphere of distrust and recrimination. My prescription is the old proverb, "Plenty of work and a heart to do it."

V

I make this Report because I believe that the workers at present employed can and will maintain an output of 250,000,000 tons a year at least, which was the figure adopted in the Interim Report of March 20th last, presented by me and my three colleagues. I rely upon the honor of the men's leaders and of the men and of all others concerned to achieve this result. In my opinion it can and ought to be done. If the output per man continues to go down the supremacy of this country is in danger.

VI

I recommend the continuance of the Coal Control for three years from the date of this Report.

VII

I repeat paragraph XIX of the Interim Report of March 20th above referred to. The question of State ownership is one of policy to be determined by Parliament in which all classes, interests, and industries are represented.

2. Reasons for the State Ownership of Coal Royalties

VIII

Coal is our principal national asset, and as it is a wasting asset it is in the interest of the State that it should be won and used to the best advantage.

IX

The seams of coal are now vested in the hands of nearly 4,000 owners, most of whom are reasonable, but some of whom are a real hindrance to the development of the national asset.

X

In certain areas the ownership of the seams of coal is in the hands of many small owners some of whom cannot be found, and this causes great delay and expense in acquiring the right to work the mineral.

XI

Barriers of coal are left unworked between the properties of various owners to an extent which, in many cases, is not necessary for safe and proper working of the individual concern, and millions of tons of the national asset are thereby wasted.

XII

Drainage and pumping are carried on in individual pits at heavy unnecessary expense instead of under a centralized plan covering a whole area. Further, lack of co-operation in drainage has in the past been, and is at the present time, conducive to the abandonment of coal and collieries.

XIII

Boundaries of undertakings are arbitrary and irregular and make coal in certain places difficult to work or not worth working.

XIV

Plots of land are let for building and the law allows this to be done without the right of underground support, so that the coal is worked from underneath, houses are damaged, and no compensation is payable; this is not consistent with the public well-being.

XV

Under State ownership there will be one owner instead of nearly 4,000 owners of the national asset, and the difficulties caused under the present system in regard to barriers, drainage, pumping, boundaries, and support will largely disappear.

XVI

The State ownership should be exercised through a Minister of Mines.

XVII

The interim report of the Acquisition and Valuation of Land Committee has pointed out at least 14 defects arising from the present system of ownership of the seams of coal, and proposes to create a new sanctioning authority vested with power to issue compulsory orders from time to time to remedy these defects as and when they are in different cases found to exist.

XVIII

I regard as preferable to this expensive piece-meal machinery that the seams of coal should be acquired by the State once and for all in one final settlement, together with all usual or necessary easements and rights incidental thereto, together with power to procure all such easements and rights in the future. If the State only acquires the seams from time to time it means many arbitrations, many intermediate settlements, enhanced delay, and increased cost of administration.

3. Method of Purchase of Coal Royalties

XIX

The value of each individual royalty owner's interest should be assessed by Government valuers with an appeal to a specially constituted tribunal.

XX

Such valuers should take into consideration:

(*a*) the properties where coal has been developed;

(*b*) potential properties where coal is known to exist and is awaiting development;

(*c*) surface wayleaves and shaft rent in certain cases which destroy the amenities of the neighboring property;

(*d*) the usual royalty charged in the district for the class of coal in question;

But not—

(*e*) properties in which the existence of coal is uncertain but suspected; and

(*f*) underground wayleaves.

XXI

I also suggest that Parliament in laying down the principles of valuation should consider whether it is not possible to fix a total maximum sum which would form a pool to be allocated between the various individual royalty owners in accordance with the foregoing or any other principles which Parliament may adopt. The advantage of this plan would be that the State would at once know its total maximum liability.

4. Reasons for State Ownership of Coal Mines

XXII

Coal mining is our national key industry upon which nearly all other industries depend. A cheap and adequate supply of coal is essential to the comfort of individuals and to the maintenance of the trade of the country. In this respect, and in the peculiar conditions of its working, the coal mining industry occupies a unique and exceptional place in our national life, and there is no other industry with which it can be compared.

XXIII

The other industries and consumers generally are entitled to have a voice in deciding the amount of coal to be produced and the price at which it is to be sold, which they have not had in the past.

XXIV

The export trade in coal has greatly increased, and the system of competition between many private colliery owners and exporters to obtain orders frequently prevents the industry getting the full value for the article.

XXV

The inland trade in coal has greatly increased, and the system of distribution through the hands of many private individuals prevents the consumer getting the article as cheaply as he should do. It has been estimated that there are 28,000 retail distributors of coal in the United Kingdom.

XXVI

In other words, there is underselling in the export trade and overlapping in the inland trade.

XXVII

Passing to another phase of the difficulty, the lack of capital in some mines and the lack of proper management in others prevent the development of coalfields and the extraction of coal to the best advantage for the benefit of the Nation.

XXVIII

There are in the United Kingdom about 3,000 pits owned by about 1,500 companies or individuals. Unification under State ownership makes it possible to apply the principles of standardization of materials and appliances and thereby to effect economies to an extent which is impossible under a system where there are so many individual owners.

XXIX

It may be argued that the foregoing defects in the present system could be removed by changes in the direction of Unification falling short of State ownership.

XXX

But a great change in outlook has come over the workers in the coalfields, and it is becoming increasingly difficult to carry on the industry on the old accustomed lines. The relationship between the masters and workers in most of the coalfields in the United Kingdom is, unfortunately, of such a character that it seems impossible to better it under the present system of ownership. Many of the workers think they are working for the capitalist and a strike becomes a contest between labor and capital. This is much less likely to apply with the State as owner, and there is fair reason to expect that the relationship between labor and the community will be an improvement upon the relationship between labor and capital in the coalfields.

XXXI

Half a century of education has produced in the workers in the coalfields far more than a desire for the material advantages of higher wages and shorter hours. They have now, in many cases and to an ever increasing extent, a higher ambition of taking their due share and interest in the direction of the industry to the success of which they, too, are contributing.

XXXII

The attitude of the colliery owners is well expressed by Lord Gainford, who, speaking on their behalf as a witness before the Commission, stated:—"I am authorized to say on behalf of the Mining Association that if owners are not to be left complete executive control they will decline to accept the responsibility of carrying on the industry, and, though they regard nationalization as disastrous to the country, they feel they would in such event be driven to the only alternative—nationalization on fair terms."

XXXIII

It is true that in the minds of many men there is a fear that State ownership may stifle incentive, but to-day we are faced in the coalfields with increasing industrial unrest and a constant strife between modern labor and modern capital.

I think that the danger to be apprehended from the certainty of the continuance of this strife in the coal mining industry outweighs the danger arising from the problematical fear of the risk of the loss of incentive.

XXXIV

The object to be aimed at under State ownership is national co-ordination of effort in respect of the production of the national asset and of its export and inland supply.

5. Method of Purchase and Carrying on of the Coal Mines

XXXV

It is suggested that the State should purchase all the collieries, including colliery buildings, plant, machinery, stores, and other

effects in and about the colliery at a fair value subject to the next paragraph.

XXXVI

In addition, expenditure on development of the collieries (including the provision of houses) incurred after a date to be fixed and with the consent of the Controller of Coal Mines should be repaid with interest at the rate of 6 per cent. per annum from the date of the expenditure provided that if such expenditure has become remunerative before the date of the purchase, the amount of the sum payable by way of interest should be reduced by the amount of the profits earned thereon.

XXXVII

In further addition the State should take power to purchase real and movable property directly associated with the working of the colliery not comprised in paragraph XXXV, other than the assets at the colliery, at a fair value.

XXXVIII

In the case of composite undertakings the owners should have a right to compel the State to purchase, and the State should have the right to compel the owner to sell the whole undertaking if, in the opinion of an arbitrator, the severance of the undertaking cannot be economically or commercially effected. By composite undertaking is meant an undertaking where a company or firm is carrying on a colliery in addition to and in conjunction with another works, *e.g.*, a colliery and a steel works.

XXXIX

Without prejudice to the powers recommended by the last paragraph, it is a matter for careful consideration whether the coke and by-product industry, which is at present only in its infancy, should not be allowed to remain in private ownership.

XL

It is suggested that the bulk of the present officials engaged in the coal mining industry, including the managing directors of com-

panies, should be offered an opportunity of remaining on at their present salaries on a 5 years' agreement together with any increases awarded from time to time.

XLI

The Civil Servant has not been trained to run an industry, but the war has demonstrated the potentiality of the existence of a new class of men (whether already in the service of the State or not) who are just as keen to serve the State as they are to serve a private employer and who have been shown to possess the qualities of courage in taking initiative necessary for the running of an industry.

XLII

Hitherto, State management of industries has on balance failed to prove itself free from serious shortcomings, but these shortcomings are largely due to the neglect of the State to train those who are to be called on for knowledge and ability in management.

XLIII

The experience of the last few years has, however, shown that it is not really difficult for the British nation to provide a class of administrative officers who combine the strongest sense of public duty with the greatest energy and capacity for initiative. Those who have this kind of training appear to be capable in a high degree of assuming responsibility and also of getting on with the men whom they have to direct.

XLIV

Finally, under State ownership it is always possible to lease a mine to particular persons on terms agreeable to those who are engaged in the production of coal thereat, and this principle can be applied not only to a mine or a group of mines contained in a particular district, but to a composite undertaking.

N.B.—If and when the coal mines are acquired by the State any just claims of pioneer boring companies should be recognized, and the State should take power to carry out exploratory borings.

6. The Scheme for Local Administration

N.B.—The propositions put forward in this scheme must not be regarded as recommendations, nor does the scheme aim at being comprehensive. The time at my disposal only allows me to make suggestions which it is hoped will be useful to Parliament.

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(i) The Local Mining Council

N.B.—The object of this part of the scheme is to take advantage of the knowledge of the workers by allowing them to sit on the Councils for the purpose of advising the manager and to give them an effective voice in all questions where their own safety and health are concerned.

XLV

Every mine shall be under one duly certificated manager who shall be responsible for the control, management, direction, and safety of the mine and the extent and method of working, provided always that such manager shall not be personally liable for conforming to any lawful order for safety made by the District Mining Council.

XLVI

There shall be established at each mine a Local Mining Council who shall meet fortnightly, or oftener if need be, to advise the manager on all questions concerning the direction and safety of the mine.

XLVII

The Council shall consist of 10 members of whom the manager, under-manager, and the commercial manager shall be *ex officio*. Four members shall be elected by ballot by the workers in or about the mine and the remaining 3 members shall be appointed by the District Mining Council. The members shall hold office for 2 years.

XLVIII

It shall be the duty of the Council to report fortnightly to the Minister of Mines and to the District Mining Council any fall in output and the cause thereof.

XLIX

If the manager refuses to take the advice of the Local Mining Council on any question concerning the safety and health of the mine such question shall be referred to the District Mining Council.

L

The contracts of employment of workmen shall embody an undertaking to be framed by the District Mining Council to the effect that no workman will, in consequence of any dispute, join in giving any notice to determine his contract, nor will he combine to cease work, unless and until the question in dispute has been before the Local Mining Council and the District Mining Council and those Councils have failed to settle the dispute.

LI

There shall be a commercial manager of the mine or group of mines (which office, if the District Mining Council think fit, shall be vested in the mine manager) whose duty it shall be, subject to the control of the manager, to arrange for the purchase and supply of stores in the mines and to take steps subject to the control of the district commercial manager for the disposal of its output.

N.B.—It is thought that some of the present managing directors of companies might be appointed the commercial managers.

LII

Each mine shall send in a costing account in the approved form to the District Mining Council.

LIII

The workers at each mine shall be entitled to an output allowance to be ascertained in an approved manner and divided among them half-yearly.

(ii) The District Mining Council

N.B.—The object of this part of the scheme is to prevent the bureaucratic running of the industry by causing it to be controlled locally by a Council of fourteen, upon which there is equal representation for the miners, for the consumers, and for the persons acquainted with the commercial and technical side of the industry.

LIV

There shall be established in each mining district a District Mining Council upon whom shall rest the main executive responsibility of taking measures to secure the health and safety of the workmen and the production of coal in the district.

N.B.—It is suggested that the mining districts be:

1. Scotland, East.
2. Scotland, West.
3. Northumberland.
4. Durham.
5. Cumberland.
6. Yorkshire.
7. Lancashire and Cheshire.
8. North Wales.
9. Nottinghamshire, Derbyshire, and Leicestershire.
10. Staffordshire, Worcestershire, and Shropshire.
11. Warwickshire.
12. South Wales and Monmouthshire.
13. Gloucestershire, Somersetshire.
14. Kent.

LV

The District Mining Council shall conform to any order for safety made by the Chief Inspector of Mines, or by a Divisional Mines Inspector, and shall not make an order in respect of safety which is contrary to any Act of Parliament or regulations thereunder.

LVI

Subject to the direction of the Minister of Mines the District Mining Council shall manage in its district the entire coal extraction, the regulation of output, the discontinuance of or the opening out of mines, trial sinkings, the control of prices, and the basis of wage assessment, and the distribution of coal.

LVII

In fixing the pit-head price under State ownership the following items shall be provided for:

(*a*) a fair and just wage for all workers in the industry.
(*b*) the cost of materials, etc.
(*c*) upkeep and management, and development work.
(*d*) interest on the Bonds to be issued as the purchase price of the coal royalties and coal mines.
(*e*) the contribution towards a sinking fund to redeem the Bonds.
(*f*) a profit for national purposes.

LVIII

The District Mining Council shall be entitled to make arrangements with local authorities or with private persons (including in such term co-operative societies, companies, firms, and individuals) and in country districts, if permissible, with the local railway station-master, for the sale and distribution of inland coal, and with private persons, firms, and companies for the sale and distribution of export coal, and shall have power to fix from time to time the price above which coal may not be sold for household and industrial purposes.

LIX

The District Mining Council shall consist of a Chairman and Vice-Chairman, appointed by the Minister of Mines, and twelve other members. Four members shall be elected by ballot by the workers, and the remaining eight members shall be appointed by the National Mining Council as follows:

Four to represent consumers (of whom in iron and steel districts two at least shall represent the iron and steel trades, and in shipping districts two at least shall represent recognized coal exporters).

Two to represent the technical side of the industry, *e.g.*, mining engineering, and

Two to represent the commercial side of the industry—purchase of material and sale of output.

LX

All members shall hold office for three years, and shall be paid a salary.

LXI

The District Mining Council shall meet at least monthly, and oftener if need be.

LXII

The District Mining Council shall appoint all mine managers and all commercial mine managers within its own district.

LXIII

The District Mining Council shall appoint a commercial committee, and a commercial manager whose duty shall be, subject to the control of the commercial committee, to arrange for the purchase and supply of stores for any mine and to take steps for the disposal of the output of coal from his district.

LXIV

The contracts of employment of workmen shall embody an undertaking to be framed by the District Mining Council to the effect that no workman will, in consequence of any dispute affecting a district, join in giving any notice to determine his contract, nor will he combine to cease work, unless and until the question in

dispute has been before the District Mining Council and the National Mining Council and those Councils have failed to settle the dispute.

(iii) The National Mining Council

N.B.—The object of this part of the scheme is to get a body composed of members of the District Mining Councils who shall meet at stated intervals to discuss and advise the Minister of Mines on all questions connected with the Industry. The Minister of Mines will be assisted by a Standing Committee of 18 members elected from and by the National Mining Council, who will meet regularly for the purpose of superintending the operations of District Mining Councils. The Minister of Mines will sit in and be responsible to Parliament.

LXV

There shall be established a National Mining Council, which shall meet from time to time to discuss with and advise the Minister of Mines upon all questions connected with the operation and management of the industry.

LXVI

The Minister of Mines shall be appointed by the Government, and shall sit in and be responsible to Parliament. Such Minister shall superintend the operation of the District Mining Councils and shall preside over the National Mining Council.

LXVII

The National Mining Council shall be formed as follows:—Each District Council shall elect one member for every 5,000,000 tons of output, provided that every district shall elect at least one member.

LXVIII

The members shall be elected for three years and shall meet once a year in London, once a year in Edinburgh, and once a year in Cardiff and at such other times as summoned by the Minister of Mines. Members shall be entitled to their traveling expenses.

LXIX

There shall be elected from and by the members of the National Mining Council a Standing Committee of 18, six of whom shall retire each year and shall not be eligible for re-election for the next year. Six shall represent the workers, six shall represent consumers, and six the technical and commercial side of the industry.

LXX

The Minister of Mines shall be entitled, after consulting the Standing Committee, to veto any resolution come to either by a Local Mining Council or a District Mining Council, and in the event of his so doing he shall state publicly his grounds for so acting.

LXXI

No national alteration of wages shall be made without the consent both of the Minister of Mines and the Standing Committee.

LXXII

The contracts of employment of workmen shall embody an undertaking to be framed by the District Mining Council to the effect that no workman will, in consequence of any national dispute, join in giving any notice to determine his contract, nor will he combine to cease work, unless and until the question in dispute has been before the National Mining Council and that Council has failed to settle the dispute; provided that on the written request of 15 members of the National Mining Council the Minister of Mines shall convene a meeting of the Council within one month.

(iv) Finance and Publicity

LXXIII

The finances of each district shall be kept entirely separate, and a return in the approved form shall be sent to the Minister of Mines once a quarter.

LXXIV

An approved system of auditing shall be established for all accounts.

LXXV

The Treasury shall not be entitled to interfere with or to have any control over the appropriation of moneys derived from the industry. The said moneys shall be kept entirely separate and apart from other national moneys, until the profit accruing from the industry is periodically ascertained and paid into the Exchequer.

LXXVI

It being of vital importance that the Mines Department should be managed with the freedom of a private business, the present Civil Service system of selection and promotion by length of service, of grades of servants, of minuting opinions and reports from one servant to another, and of salaries and pensions, shall not apply to the servants attached to the Mines Department.

LXXVII

The Minister of Mines shall cause the following statistics to be made public:

(*a*) the quarterly financial return from each district;
(*b*) the output from each district;
(*c*) the number of persons employed above and below ground;
(*d*) the cost per ton of getting and distributing coal, showing proportion due to wages, material, management, interest, and profit;
(*e*) the amount of coal produced per man per shift;
(*f*) the amount of absenteeism.

LXXVIII

Pending the acquisition of the coal mines by the State, the colliery owners shall continue to have and be subject to the rights and liabilities conferred and imposed upon them by the Coal Mines Control Agreement (Confirmation) Act, 1918, or any statutory provision that may be substituted therefor as suggested in the Interim Report of the 20th March presented by me and my three colleagues, or otherwise.

(v) Safety, Health, and Research

LXXIX

For providing for safety, health, and research there shall be a corps of officers, as set out in the following paragraphs.

LXXX

For safety, the present system of Chief Inspector and Divisional Inspectors shall be continued, and such inspectors shall continue to perform the same duties as their predecessors, but the number of inspectors shall be increased and shall be in proportion either—

(i) to the area, or

(ii) to the number of men employed, as, for example, one inspector to, say, 5,000 men.

LXXXI

The appointment of such safety inspectors shall be made by the Minister of Mines, to whom the inspectors shall report and be responsible.

LXXXII

For health, there shall be appointed central and local inspectors of health as distinguished from safety, who shall be charged with the superintendence of the health and convalescence of colliery workers.

LXXXIII

The appointment of such health inspectors shall be made by the Minister of Mines, to whom the inspectors shall report and be be responsible.

LXXXIV

For research, there shall be attached to the Ministry of Mines a Research Section for the purpose of carrying out departmental research work in safety, health, and economies in mining.

LXXXV

The appointment of such research staff shall be by the Minister of Mines.

(vi) Admiralty Coal

LXXXVI

The Admiralty and the War Office shall be entitled to requisition coal at any mine at a pit-head price equal to the lowest price charged to any consumer.

(vii) The Export Trade

LXXXVII

Any person shall be entitled to purchase coal for export from any mine in the same way as he would have been entitled had such mine remained in private ownership.

LXXXVIII

The State shall not make or give any undue or unreasonable preference or advantage to, or in favor of, any particular persons desirous of purchasing coal for export, nor shall the State subject any particular person desirous of purchasing coal for export to any undue or unreasonable prejudice or disadvantage whatsoever.

LXXXIX

Any exporter to whom coal is sold for export shall divide all profits over 1*s.* per ton equally with the District Mining Council.

John Sankey.

20 June, 1919.

CHAPTER II

GOVERNMENT OFFER TO RAILWAYMEN

Mr. James H. Thomas, secretary of the National Union of Railwaymen, announced on November 16, the Government scheme of "joint control."

He said that there would be a *Joint Board* composed of 5 general managers and 5 railwaymen (3 from the National Union of Railwaymen and 2 from the Associated Locomotive Engineers and Firemen). This corresponds to the old conciliation boards, though with wider terms of reference.

A Committee of Appeal, composed of 12 members—4 representing the men, 4 the companies, 4 the public, and an independent chairman. This corresponds to the old Arbitration Boards, Committee on Production, Industrial Commissions, and Wages Boards.

Local committees for local disputes.

Four railwaymen to join the Railway Advisory Committee, which is composed of 12 general managers. This representation has been granted for years in certain industries.

Over all this remains in control the Ministry of Transport.

In making the announcement of this Government scheme, Mr. Thomas said:

"Now, it is first proposed to set up a joint board on the railways—on each railway, not on each system, but a board composed of five general managers and five from the Associated Locomotive Engineers and Firemen and the N. U. R. Three of these latter five will represent ourselves, and two will act for the Associated Enginemen. These ten people will be charged with the responsibility of conducting negotiations in connection with the conditions of service. Nothing whatever will be exempted from their consideration. That is to say, we have not the old boggle of limiting ourselves to hours and wages. The ten—five from each side—will have plenary powers, but only in the sense that the men's side would be subject to their Executive Committee. In the event of their failing to agree they will have the right to call in another body.

"It is no use disguising the fact that, in the event of a railway dispute, there is a great public opinion. That ought to be considered,

and in the event of a failure on the part of these ten (five from either side) they will be able to refer the matter to another body of twelve—four from the men, four from the railway companies, and four from the public. But the working men are as much the public as the capitalists are, and therefore, as regards two of the four, one will be a Trade Unionist not connected with the railways and another will be a representative of the great co-operative movement. In other words, you will be able to bring to the review of your case a tribunal on which the public will be represented. There will be an independent chairman. We want you, however, clearly to understand that, while they will be in a position to give recommendations and to advise and suggest, neither body will have the power of taking away the right to strike so far as the men are concerned. But obviously we would not strike while a matter was being considered.

"That, in my judgment, is a first step towards some real machinery for dealing with working conditions. But as railwaymen you know perfectly well that there are thousands of things that happen locally that are not national, but are peculiar to a district of a town or a particular grade. In addition to what I have said, there will be set up local machinery that will enable you locally to meet an equal number of the managerial side and deal in the same way with all local grievances that may arise. This will be of paramount importance to you, and will enable you to feel that you have some machinery in connection with which, on questions of discipline, you will have a free and absolute right of bringing in as your advocate not an employee of the company, but your own Trade Union official, whoever he may be, and chosen as you desire. That, so far, will be your new machinery.

"But I have always believed, and I still believe, that the working classes can give by their practical experience, by their knowledge, and by their everyday work, something to the better government of any business. I deny the possession of a monopoly of brains by the employing classes, whoever they are, and I have never hesitated to affirm that to general management the workers could contribute much. Therefore, in addition to the scheme that I have just outlined, dealing with hours and wages, three members, two from our Union and one from the Associated Union, will join the Railway Advisory Committee, with co-equal powers to the general managers who sit there themselves.[1]

"That is not only an innovation, not only a new departure, but it enables you to compare the position now with the position a few brief years ago, when, in Bristol, I was pleading for what is called

[1] Later, 4 members (one from the Clerks).

official recognition. It is a change for the good. It shows the power of organized Labor, and it is up to you to prove that the experiment can be justified.

"While I should be foolish to suggest that this scheme will render strikes impossible, I must seriously say that the new machinery, if properly worked in a fair and genuine spirit on both sides, will do much to make Trade Unionism not only a means of improving the men's condition, but also to insure smooth working on the railways of the country.

"I hope and believe that the railwaymen will accept the scheme not as their final goal, not as the last word, but as one more stepping-stone in the path that will enable us to say that as workers we have co-equal power and co-equal authority in management. I hope also that within a few weeks we shall be able to make an announcement about the new standard conditions, but I would ask you to keep clearly in mind the difficulty that we have to face owing to the multiplicity of grades and companies. We must stabilize as far as possible on one basis. The statements you have heard recently about the cost of living coming down are mere moonshine. I am convinced the tendency in the coming winter will be the other way. It is no use talking about the old pre-war standard. The railwaymen intend to keep the Prime Minister to his word. It is our duty to be not only audacious, but our right to share in the new heaven and the new earth that politicians have long promised us.

"The workers have to realize that side by side with their industrial machine must they have political action. The results of the municipal elections, the results of our own strike, and the consolidation of Labor are a clear indication that before long Labor is destined to govern this country."

On December 8, 1919, Sir Eric Geddes, on behalf of the Government, announced:

"1. The present negotiations of wages.—On this no public statement can yet be made. I fully appreciate the anxiety of the House, and will make a statement at the earliest possible moment.

"2. An arrangement has been come to between the Government and the two unions concerned in the conciliation grades on the railways that, apart from the present negotiations, questions of wages and conditions of service shall, during the period of the present control of railways under the Ministry of Transport Act, be dealt with by a central board, consisting of five railway managers and five representatives of the trade unions, the latter being composed of three from the National Union of Railwaymen and two from the Associated

Society of Locomotive Engineers and Firemen, with power to each side to add a sixth member. Failing agreement by this central board, matters in dispute falling into the category mentioned—wages and conditions of service—will be referred to a national wages board, consisting of four railway managers, four railway workers, or their representatives, and four users of railways, of which one shall be nominated by the Parliamentary Committee of the Trades Union Congress, one by the Co-operative Union, one by the Federation of British Industries, after consultation with other industrial organizations, and one by the Association of Chambers of Commerce after similar consultation, with an independent chairman appointed by the Government.

"It has been agreed by the unions concerned that no strike shall take place on account of a dispute arising on these matters until one month after the question in dispute has been referred to the National Wages Board. Local committees, to which matters of purely local and other than national importance are to be referred, will be set up, and discussions are taking place at the present time as to their constitution, scope, and function.

"3. The third matter which is forming the subject of conversation by railwaymen is their representation in connection with the control exercised under the Ministry of Transport Act. The Railway Executive Committee as such will cease to exist, probably on January 1, and an advisory committee will then be set up, which will consist of twelve general managers and four representatives of the workers."

Will the new Railway Advisory Committee really run the railways? On December 10, 1919, Sir Eric Geddes said:

"During the war the railways were under the control of the Government, but, in fact, they were self-controlled, because the machinery through which the Government exercised its powers was placed in the hands of the General Managers of the Companies. From 1st January, 1920, the control, in so far as it now exists, will be exercised by the Ministry of Transport, and the financial checking, which had been so ably carried out by the Companies on each other on behalf of the Government during the war, will now, to a greater extent, be supervised by the Ministry and its financial officers. Instead of there being, as some people thought, a greatly-increased control, the railways will, to a greater extent, be controlled by their own management. It will be necessary, under the present abnormal conditions, that the State should take a very large part of control in the wages question and in rates and fares."

So this Railway Advisory Committee will not run the railways, but will make suggestions. Sidney Webb states that railway directors with whom he had talked believe that the system will be turned back into private hands within a couple of years. Sir Henry Thornton, a member of the Railway Advisory Committee, has made this public statement:

"Nationalization of the railways is now only a remote possibility. On the resumption of normal conditions British railways will be operated upon a plan that lies between nationalization and private ownership. The individual companies will continue to administer the separate lines with representatives on and acting in conjunction with a central board, composed of Government representatives and representatives of railway labor. The new scheme will come into operation in about eighteen months."

SECTION V

THE PUBLIC

CHAPTER I

THE ENGLISH MIDDLE CLASS

THE Middle Class has long been in control of English life. It is possible now to write its history and show its qualities. And it is possible because the Middle Class is passing. Lying between lords of the soil and laboring men, or great nobles and rabble, or wealthy and poor, or cultured and uneducated, or capitalists and artisans, "The Middle Class is that portion of the community to which money is the primary condition and the primary instrument of life." For all my quotations (except where otherwise stated) I am indebted to a recently published volume on *The English Middle Class,* by R. H. Gretton, author of *The King's Government.*

The first stirrings of consciousness in the Middle Class came in the thirteenth century when "the conception of profit began to replace that of payment for the exercise of skill. Among the actual workers at a trade the weavers probably set on foot the change. Some of them, instead of weaving the wool brought to them, and then handing it over to the fuller and the dyer, would conceive the idea of buying wool, weaving it, paying the fuller and the dyer to work upon the fabric without handing over possession, and finally taking it back to sell at an inclusive price which was not merely the cost of the three processes."

"Now here we have at work a clearly financial conception, that of trading profit. It depended upon a new idea of the power of money. To put the case baldly, the possession of money by one man was seen to be an opportunity for taking advantage of another man who had none."

Inside the realm of King and lords, Church, yeomen, and peasants, there grew and spread this new secretive inexpressive estate of the Middle Class. Always keen in its instinct for profits, and in its class consciousness, it perceived as early as the fifteenth

century "the possibility of another kind of localizing of profits, keeping them, not to this or that town so much as to a certain stratum of the community." So developed two germs of evil—"one, the creation of a wholly dependent working class, and the other the sanction of trading monopoly."

"The change of the fifteenth century was that the capitalist clothier owned the looms upon which the cloth was made, and the weaver sank to the status of a hired man. As long as he possessed his own loom he could work independently; when he used one of a number of looms belonging to the clothier he had entered upon the factory system."

"We discern in the Middle Class at its origin a quality which it has never wholly lost, in spite of many modifications. Its instinct was to live in a narrow circle, to keep trading profits in the hands of a group, to make town administration a closely limited entity, to do anything rather than throw experience into the common stock. . . . It had no brains for anything that happened outside the limits of a known group of persons."

A gray layer of nondescript people inserted between the landed aristocracy and the laboring class, it appropriated some of the "rights" of those whom it shoved to either side. As it rose into power, it pushed the guild journeyman down into a wage-earning artisan, and induced him to part with his small freehold and become a tenant by rent. Industrially and socially the Middle Class by establishing itself at the center of the currency system helped to perpetuate the lower class. It plays for its own integrity to be bothered as little as possible by national and civic affairs, to dodge individual assessments which would reveal its wealth and therefore its power. Shy of public appearance, content for long with wealth, leisure and security, though later risking security to gain social recognition, at all times to the present day it has guarded the hen that lay the golden eggs. And the hen was the control of the money. With money, it bought skill, took over the ownership of tools and machines, established itself on the land and took rent, controlled the product of labor and therefore the profits, and by the manipulation of money appropriated interest.

In return for exacting this various tribute from the community, it fulfilled essential functions. In the higher values, it laid the foundation of grammar schools and aided in developing endowed schools and free education. It contributed to the building of the

great cathedrals and the exquisite parish churches. It failed in the spacious Elizabethan days to rise to true national consciousness and so failed to give great names in artistic and patriotic expression in an age of great names (Sidney, Shakespeare, Raleigh, Drake, Jonson, Frobisher, Bacon, Pembroke). But at a later time, the neutral leisure of the Middle Class, with its detachment from the common weal, served it well, for in its irresponsibility (sometimes with the aid of the fixed independent income of which Darwin speaks) "it produced men who led the way to making literature and art professions for men of genius, and not mere dependencies of the rich." Soon, to be sure, its scions bit the hand that fed them, and "the artists, the poets, the novelists of the nineteenth century were nearly all middle-class men who turned more or less bitterly upon their origins, and helped to heap scorn upon the Middle Class."

For long, there was practically only one kind of Middle Class—a middleman class. Then it split up into large Capitalists who were landowners as well as merchants; a lower rank of traders; lawyers; secretaries and clerks. "Craft jealousy and secretiveness being translated into the sheer competitive individualism which was increasingly to characterize the Middle Class. But it was the same secretive spirit in a new form."

"The Middle Class could stand for nothing, because it had always stood for itself alone."

Inexpressive in art and warfare, aloof from politics, devoid of national consciousness, unimaginative, unheroic, without logic, without science, it has moved on its middle way, serving England, developing trade and commerce, adapting itself to new frontiers, fulfilling the necessary function of shopkeeper through changing eras, providing a framework upon which the national life broadened down from age to age, linking a mixed society, and "keeping things together" for six centuries.

When the twelve million of needy wage-earners can no longer find work to do or bread to eat, will "an upheaval far more terrific than all the convulsions that rent revolutionary France sweep away the colossal fabric of England's decaying civilization like a wisp of straw"? The rule of the Middle Class has never led to bloody revolt of the sort let loose in the France of 1789 by the rule of the nobles. The reason is clear:

"The position of privilege in England was a conscious one,

built up by deliberate, if not wholly intentional, stages; the position of privilege in France was one of unconscious, unthinking isolation. The French nobleman believed himself to be by divine providence where he was; the English nobleman never attributed to the Deity the victories of his own self-assertion. These differences had, in the lower ranks of the population of either country, their corollaries. In England there always existed, in however strained a condition, a tie of mutual comprehension which was lacking in France. In the ordinary course of events this tie may have amounted to very little. But at a crisis, it would come into operation to prevent that feeling of conflict with a force entirely beyond reason which drove the French nation headlong. The English populace, without ever formulating the situation to themselves, felt that they understood the basis of the superiority of their own upper classes; and for all the appearance of exclusiveness, it was not a superiority behind absolute barriers. The barriers were in the last resort only relative. There was no claim to any incomprehensible 'natural' rights; there was only property, held in a way which any Englishman could understand."

It is the persistence of ancient upper class institutions in an age that is Middle Class industrial, which has diverted the observer into thinking that the upper class is in control of the State. But the Middle Class has always behaved like the gentle snail which, adrift in a hard world, slinks into the nearest shell, which had once been the home of a quite other organism. With the exception of the Cromwell episode, the Middle Class has never attempted to set up middle-class institutions, preferring to handle existent institutions "in such a manner as to find a sheltered area for personal profit under them. It abandoned the attempt to make a middle-class state, and successfully proceeded to make the State Middle Class."

It left the old constitutional forms and social organization standing, with the result that the nation regarded political movements as the movements of Lords and Commons, instead of the acts of rich merchants. For over two hundred years, the Middle Class has influenced public affairs from behind the screen of old forms; and the upper class of landed gentry, university men and Established Church has been held responsible in the public mind for the operations, actually carried through by the Middle Class. Those operations included privileged trading, seizure of the land, manipu-

lations of taxation, processes of stockbroking. Middle Class life became an avenue to rank and station. Trade was a source of wealth instead of a co-operative enterprise. Wages were not a participation in profits, but the basis of the money-making machine that ground out profits for a master-class at long distance remove from the workers. Individualism was thus economic, as well as moral and political in the Middle Class. "By subscribing to a public loan they drew interest out of the national needs—the final triumph of their many manipulations of the taxes." This completed the process of making England a Middle Class State, because the security for her finances ceased to be directly the land or personality and became trading credit. And trading credit it has remained even through these years of war. With trading credit comes the National Debt, devoid of tangible security, based on the national income and structure of credit—a charge against the labor power of the nation, and therefore a mortgage on the productivity of the workers held by the Middle Class.

A modern authority on trade states: "The supremacy of the commercial classes was not favorable to peace. They were bitter and blood-thirsty in the competition for new markets." The army was put on a business basis, and "the Middle Class found in it, as it had managed by degrees to find in most things to which it had once objected, sufficient scope for money-making." There were opportunities in contracting for supplies, in profits on army loans, in a new career for its sons.

English aristocracy is a recent affair. Omitting entirely the mushroom growth of business lords, such as Lord Leverhulme, the late Lord Rhondda, and Lord Northcliffe, who are simply Lord Morgan, the Duke of Rockefeller, and Earl Harriman, we have the fact that practically there are no English titles older than the early Tudor period, and "the highest Class of the eighteenth century was made up principally of the families which had risen in the first land speculation of the Middle Class."

By the eighteenth century it "entirely colored the national outlook and virtually controlled policy. . . . It only gave advancement to brains in so far as they were employed upon affairs of money. . . . The upper class had become predominantly Middle Class in substance. The lower class—the workmen, artisans, and laborers—were securely enchained. Administration was in the hands, or at least at the service, of the masters of trade and

industry; the ancient rights and safeguards of the workman had been deliberately allowed to become obsolete."

The American civilization, like that of the English, is Middle Class. The ruling class with us is "that portion of the community to which money is the primary condition and the primary instrument of life." Middle class psychology colors our national outlook and controls our policy, gives advancement to brains in part as they are employed upon affairs of money, directs the workmen, artisans, and laborers, stands at the levers of the giant machinery of production and administration. The difference is that we have no ancient screen of Church and landed gentry and Crown and Lords to cover the operations with the mediæval mistiness of blurred tapestry. Slowly with us, too, the fight defines itself as one between the Middle Class, entrenched by its control of the currency, and those members of the community who aim at democratic control. The Middle Class is losing power, because it has allowed machinery to gather large masses of workers in cities and so has created a counter-organization.

Ownership of land and possession of titles made an upper British Middle Class. "Gentility became simply a description of a certain command of the conveniences and luxuries of existence." And the upper stratum dissociated itself from its origins and from the processes by which it had made money. Under this upper stratum the modern manufacturers thrust into prominence, laying hold of power because they had money through their control of machinery, coal, and iron, the new banking system, and the subdivisions of labor. "The brief by-product in England of the Rennaissance of Learning expired as soon as the Middle Class had decided upon gentility as its goal." Never at any time in its long history has the Middle Class possessed appreciation of the intellect. We are prone to indict the nineteenth century for its commercialized and scornful estimate of pure thought, research, artistic creation, moral values. But that is only because the Middle Class entered upon the full control of society in the nineteenth century. In its earlier history, also, it had believed that "to expect to gain a livelihood by one's brain otherwise than in using it for the production of commodities was impertinent." From the mercantilism of the eighteenth century to the industrialism of the nineteenth and twentieth centuries was no great jump, economically, nor did it require violent mental adjustments. The secretive indi-

vidualistic psychology of the Middle Class merely became visible to observers for the first time in seven centuries.

What the nineteenth century did accomplish was to render more distinct and aristocratic the upper stratum of the Middle Class. It looked down upon the busy uneducated modern capitalists and traders and industrial masters, with their exploitation of wage-workers and their conception of England as a successful trader. The upper stratum finally separated itself so thoroughly from its origins as itself to use the title Middle Class for those same capitalists, traders, and industrial masters. It was no idle dream that made certain Tory statesmen force a union of the workers and the landed gentry against that dull ungracious strenuous element in the community to which money was the primary condition and the primary instrument of life, which shirked public service and contributed few generous ideas and sentiments to either local or national life. Thus in its old age, the Middle Class was left naked in the sight of its enemies, and its form and lineaments were felt to be unlovely, its philosophy dreary, its power unjust. Increasingly it is losing control of the nation. It is no answer to this fact of its diminishing power to say that money has become so usual that we are all Middle Class to-day. The new forms of social reconstruction, the principle of democratic control, are not making money the primary condition and the primary instrument of life. They seek to establish the principle of function as the basis of society. If successful, they will abolish the Middle Class.

The fight of the worker to-day is not against the landed gentry, the ancient Universities, the Established Church—the institutions of an upper-class system. The real fight of the worker is against the Middle Class, which secretly and pervasively has been the actual governing class. It is the governing class because it is in control of the economic system which conditions the life of the community. It had swept away the resistances and had undermined the institutions of the upper class, because it had control of money, the primary instrument of industrial organization. It wasn't democracy that destroyed the Old England—democracy, that noisy, frank, easily observed foe of caste. It was the apparently innocuous, gently encroaching Middle Class that attacks from the rear in undetected ways: the faithful pious plodding Middle Class—the backbone of England—full of domestic virtues, excellent in individual conduct.

It has always succeeded in the past in conquering opposition by permeating it. But its sly methods are powerless against the principle of democratic control. "At the core of most of the modern attacks upon the Middle Class domination of the State lies a conception of a national organization without currency. Socialism and Collectivism proceed on an assumption that in the perfect State there would be no coinage of intrinsic value, but only some form of token for work done, exchangeable against a supply of the necessaries of life. In other words, in order to get rid of a Middle Class, it would be necessary, on these theories, to get rid of what we understand at present by currency; which is, from the reverse side, a striking confirmation for our theory that currency has created the Middle Class." The critique of the National Guildsmen on the wage-system is an expression of the same instinctive attack on the Middle Class. Against this assault, the Middle Class is powerless, because it is being deprived of its only weapon.

Under the amazing economic shifts of the war, the phrase "middle class" has quite ceased to be a true distinction of rank, and "has become virtually a description of character." How could it be otherwise when the tax rate opens its ponderous jaws ever wider toward the conscription of riches? The movement towards "workers' control" grows stronger with each year, and workers' control is not a power given by the instrument of money, but by the exercise of function.

In making a description of character, we have a right to wander freely in the fertile fields of social psychology. For middle class is the tag we use for labeling what is offensive, unimaginative, blandly complacent, Puritanic, materialistic, commercialized, and humdrum, in recent civilization. The Middle Class has built for its workers and for itself what Emile Hovelaque calls "the monotonous succession of smoke-grimed cubes of brick, all similar and sordid, a symbol of the sordid similar lives they shelter; the endless lines of wretched homes which all round London, all over the greater industrial centers, endlessly repeat, with the insistence of a maniac, their somber invariable rectangles, cluster on cluster, mile after dreary mile of mean and crushing hideousness, as though some spawn of insect life had settled there and swarmed. Is it in order to produce an architecture no higher than that of a coral reef, to bring into

God's light such forms of life, such visions, such monotonies of hideous depression that a society is born?"

Spiritually how has it been with the Middle Class? It has revealed "the epic of the Will which all English history unfolds." It possesses the somber Sunday, day of rest and sadness, moral virtues, earnestness, a prim conventionality, a sense of duty sometimes leaden in its petty severities, sometimes resolute in its heroism, narrowness, love of action, the love of home and the passion for adventure, "a gospel of conduct which," as Hovelaque says, "can give its disciples the possession, not only of this world but of the next, a monopoly of salvation and of Trusts—an extraordinary mingling of practical and religious impulses, in turn pitilessly realistic, and profoundly mystical, at once selfish and disinterested, which inspire the soul of a Cromwell or a Cecil Rhodes." The roots of the spiritual strength of the Middle Class have been "in its Faith, and they draw their nourishment from that extraordinary book, the Bible, whose fortune in England has been so startling, and whose influence on the destinies of the race all recognize."

As we speak the phrase "Middle Class," we see rise the misshapen Chapel in a mean street, we hear the wheezing organ lifting the hymn. We remember denunciation of Papists and the immoral French. We see severity and ugliness, indifference to ideas, a distrust of beauty. Arnold and Arnold Bennett have done their work well. As in our use of "Mid-Victorian," we are expressing a revolt. A good deal of what critics are banging at when they chastise England is "middle-classness." And middle-classness is not peculiar to England. The English form is merely a little more pious and a little drearier than that of other nations. We could write a volume on middle class as a description of character. But really what we should be writing would be the record not of a middle class, economically defined and placed in history, with a documented membership, but of our own subjective reaction to modern industrial civilization. It is time to recognize that the Middle Class is losing its control of industrial civilization.

CHAPTER II

ORIGINS OF BRITISH SOCIALISM

A CERTAIN few books must be read in order to catch even a glimmering of what is working out in Britain. For no hasty change is under way but a long-prepared event. From the thirteenth century the ideas now prevailing have simmered and worked in British consciousness. These ideas were defeated and suppressed, but they were the projection of an ineradicable instinct, the instinct for equality. And now at last they emerge from their long subterranean burrowing, and become the "arbiters of event." The history of the next one hundred years will see these ideas shaped into legislation, built into institutions, and incarnated into an equalitarian society. To understand even a little of the British social revolution, now in its gentle prelude, one must at least have digested work of the Webbs, Graham Wallas, and the Hammonds, and the reports of many committees and commissions.

And for understanding one stream of the thought that is remaking Britain, we have Max Beer's *History of British Socialism.* The quotations that follow are from this work, of which one volume has already been translated into English.

In his preface, Beer says:

> The English intellect, from its sheer recklessness, is essentially revolutionary, probably more so than the French intellect. But since 1688 it has been the endeavor of English Statesmen and educators to impart to the nation a conservative, cautiously moving temper, a distrust of generalization, an aversion from carrying theory to its logical conclusions. . . . In periods of general upheavals, however, when the dynamic forces of society are vehemently asserting themselves, the English are apt to throw their mental ballast overboard and take the lead in revolutionary thought and action. In such a period we are living now. Since the beginning of the new Century a new England has been springing up. . . . The masses are joining issue with the classes upon the question of a redistribution of wealth and power. A new Chartist movement has arisen and is daily growing.

Political Socialist labor and revolutionary trades unionism have sought to substitute for the motive of personal profit and the method of unrestricted competition some principle of organization more social and free. And the ideas back of this movement are, as R. H. Tawney says, "not antiquarian curiosities, but a high explosive, and an explosive which has not yet been fired."

Beer says that his twenty years' residence in England taught him "how high an elevation of political and moral culture a nation must reach before it can embark on a socialistic reconstruction of society." All that makes the transfer of economic power inevitable took place through long years. The final steps in the process were education, accessions to trade union organization, and the Electoral Acts. The machinery of economic and of political power had thus been given to the working class. Remains only the Act of Transfer. A revolution is the spectacular and relatively unimportant ceremony of handing over the Keys of power to the new masters. If the real work has not been previously accomplished, no bloody uprising can bring it to pass, no rule of a minority can maintain it.

Beer deals with the argument of those who oppose next steps and social reforms on the ground that they take the place of fundamental measures.

> Strictly considered this argument is directed not only against parliamentary action, but against every kind of reform short of revolution. It may be applied to factory legislation, to social insurance, to trade unionism, and generally to all measures that are aiming at amelioration. The error into which William Morris fell, lay in regarding society as a mechanical contrivance, and reform as a sort of patching up some defective parts of the machine. This mode of viewing society allows of no other remedy than the complete removal of the old machine and its replacement by another of a quite different pattern. In reality, society is not a mechanical contrivance, but a living organism in constant change and development, an organization capable of being developed into a higher form by legislation and other measures granted to a new class rising in importance and power in society. At first the influence of such reforms on the social structure may be imperceptible, but with the increase of the quantity of reforms, the alteration in the quality of society grows apace, until it amounts to a revolutionary change, visible to all. Great social upheavals which are designated revolutions are the effect of the sudden entrance of the revolutionary transformation into the region of poli-

tics, or of the peremptory demand of a large portion of the nation to give legal effect to it and redistribute political power accordingly. The real revolution had been going on more or less silently for a long time anterior to the upheaval, but it having been split up in particular changes and reforms effected during long intervals, there was no considerable resistance to its growth. The revolution in its dramatic or sensational form is but an attempt to add up the particular changes and reforms and bring out the sum total. The revolutionary character of a reform does not depend on its volume and sweep, but on its direction and nature. In our time, for instance, any reform is revolutionary which tends to strengthen the working class and which makes for national control and centralization of the means of production, distribution, and exchange.

Liberalism was the creed of the middle class:—Free trade, free speech, freedom of contract, freedom of the person. Liberal politics dies with the middle class; and the final line-up between the privileged and the disinherited begins.

In recent years, books which have moved the masses, shaped their instinctive action, and prepared them for this final line-up, have been (among many) Fabian Essays and Tracts, Henry George's *Progress and Poverty,* Blatchford's *Merrie England* and *Britain for the British,* Chiozza Money's *Poverty and Riches,* Orage's *National Guilds,* Cole's *Self Government in Industry.*

But these are only recent ripples of a tide that is age-long. Trade unionism as the instrument for overthrowing the economic system, rather than merely bettering the condition of the worker inside it—this is essentially British doctrine dating from the 1830's. The conception held so earnestly by opponents is essentially a German conception. It believes in progressive betterment under the existing order. It derives from the German belief in the supremacy of the State, its unalterable nature, its perpetual unchanging sovereignty. The State to such minds is a foundation and a framework inside which the inhabitants may remodel the rooms, shift the furniture and decorate the walls. But they must not tinker with the underpinning.

The British radical, however, has always challenged the supremacy of the State from Gerrard Winstanley to Bertrand Russell. He has held that he could reconstruct the affair from the ground up, and build a more stately habitation for his soul. This quality of his mind is the result of a long process:

From the thirteenth century to the present day the stream of socialism and social reform has largely been fed by British thought and experiment. Mediæval schoolmen and statesmen, modern political philosophers, economists, poets, and philanthropists of the British Isles have explored its course and enriched its volume, but left it to writers of other nations to name and describe it.

And the ideas which nourished this range and freedom of mental life go still further back to the Roman Empire and primitive Christianity. The doctrines of the state of nature and of natural rights are based on an idealization of the primitive conditions of tribal society. Private property and civil dominion appear as the origin of evil. In modified legal form, this became natural law (*jus naturale*).

The philosophy of natural rights and natural law passed over into Christian theology. According to Saint Isidore of Seville:

Jus naturale, is common to all nations and it contains everything that is known to man by natural instinct and not by constitutions and man-made law, and that is: the joining together of man and woman, procreation and education of children, COMMUNIS OMNIUM POSSESSIO, ET OMNIUM UNA LIBERTAS, the acquisition of things which may be captured in the air, on the earth and in the water, restitution of loaned and entrusted goods, finally self-defense by force against violence.

This definition of *jus naturale* contains, says Beer, first, the usual characteristics as given in the Institutes; secondly, the doctrines concerning the state of nature (communism and universal equal liberty).

The influence exercised by that system of thought in the development of English, and generally European social and political speculations could hardly be overestimated.

Thus, we have John Ball[1] (as quoted in Froissart), saying:

[1] Died 1381. This was the age of the Peasants' Revolt. There was a later peasants' rebellion in 1449, with Jack Cade in command. Fifty years later, the Cornishmen rose, and in 1516 Sir Thomas More wrote his Utopia, a Communistic criticism of social conditions. In 1549 half of the English peasantry were in insurrection "to vindicate their natural right to the soil and to the fruits it yielded to their labor. It

"My good people,—Things cannot go well in England, nor ever will, until all goods are held in common and until there will be neither serfs nor gentlemen, and we shall all be equal."

By 1550, Communism lost its sanction in Church and State, and took refuge with the extreme wing of Nonconformity, revolutionary rationalism, and working class organizations, while society at large moved towards individualism, whose first manifestation was the Elizabethan Age—an age of pioneers, men of keen initiative. Its great interpreters, Spenser and Shakespeare, were both anti-communist and anti-democratic.

The Diggers or True Levellers led a revolt of ideas, beginning in 1648. Gerrard Winstanley was the heart of the Digger Movement.

The industrial revolution (dating from about 1760) was aggravated by the Napoleonic wars.

The experience necessary to mitigate the miseries and pains attendant upon such a readjustment of society was wanting, and the empirical go-ahead, not to say recklessly daring nature of the English mind, was not apt to pause and inquire into the operation of the new economic phase the nation was entering upon. . . . The terrible decade 1810-20, the Luddites, the Spenceans, the Blanketeers, the conspiracies, Peterloo, and Cato Street, were largely due to the errors, perhaps inevitable errors, committed in the years from 1790 to 1800.

The same agitated period saw the beginning of the independent political action of the working classes, the London Corresponding Society (L. C. S.) forming the preface of its history. The L. C. S. was formed in March, 1792.

The L. C. S. constituted a sort of democratic and social reform seminary for labor leaders. From it issued most of the ideas and men that made themselves conspicuous in popular movements up to the year 1820. Thomas Evans, leader of the Spenceans in the fateful years 1816-18, Colonel Despard (executed for high treason in 1805), John Gales, later a supporter of Owen, Francis Place, and many others received their education or impulses from the L. C. S. The United Irishmen, when preparing for the insurrection, entered into communication with its leaders. By the Corresponding Act, 1799, which pro-

was the last great protest against the destruction of the village communities. Their defeat marks the turning point in the history of English mediæval communism."

hibited all communication between political societies, the L. C. S. was suppressed but it had already done its work; the movement had spread to Lancashire and Yorkshire.

In 1810, the *Edinburgh Review* diagnosed the condition of the nation in gloomy colors.

The great body of the nation appears to us to be divided into two violent and most pernicious factions: the courtiers who are almost for arbitrary power; and the democrats who are almost for revolution and republicanism. . . . If the two opposite parties are once permitted to shock together in open conflict there is an end to the freedom and almost to the existence of the nation. In the present crisis, we have no hesitation in saying it is to the popular side that the friends of the constitution must turn themselves. If the Whig leaders do not first conciliate and then restrain the people; if they do not save them from their leaders they are already choosing in their own body . . . the Constitution itself, the Monarchy, and the Whig aristocracy will, in no long time, be swept away. . . . The nation is on fire at the four corners. . . . That the number of democrats is fast increasing with a visible and dangerous rapidity, any man may satisfy himself by the common and obvious means of information. It is a fact which he may read legibly in the prodigious sale and still more prodigious circulation of Cobbett's *Register,* and several other weekly papers of the same description; he may learn it in every street of the manufacturing and populous towns in the heart of the country. . . . The storm is most evidently brewing over our heads at this moment, and if it cannot be dispersed before it burst upon them, we do not know where is our chance of being saved from destruction.

In March, 1812, Parliament passed a law for the protection of machinery, punishing Luddite actions with death, and in the second week of January, 1813, eighteen workmen died on the gallows at York.

The City of London again became one of the foci of Liberal thought, and on December 9, 1816, the Common Council told the Prince Regent that the Government was corrupt and wasteful, and that the late war was unjust and senseless. Following Cobbett's cheap *Register,* a Radical and popular press, mostly weeklies, appeared, such as Wooler's *Black Dwarf,* John Wade's *Gorgon,* Carlile's *Republican.*

Robert Owen was the central figure of British Socialism in the first half of the nineteenth century. The shrewd cotton spinner of New Lanark was reborn as a socialist. Private initiative, he saw, would give to the laboring poor neither education nor employment. The general diffusion of manufactures throughout a country generates a new character in its inhabitants. For the success of this legislative measure (the Factory Act), Owen worked for three years, until it was embodied, in form of a compromise with the opposing interests, in 1819. Owen says: "Manual labor, properly directed, is the source of all wealth and national prosperity."

Owen, baffled in his ardent desire for immediate and tangible results, interfered with even in his educational experiments in New Lanark, failed to notice that he was making proselytes among intellectuals, stimulating several critics, and creating an Owenite school of thought destined to leave a deep impress on the movement of the working classes and their socialist leaders.

The reign of George IV marks the rise of Liberalism and the birth of the modern Labor Movement, political and socialistic. . . . Capitalism appeared to be on its trial—Socialism, at its birth, imbibed the dogma that industrialism meant short spells of prosperity, followed by chronic crises, pauperization of the masses, and the sudden advent of the social revolution.

A boundless optimism pervaded the whole Owenite school, and it filled its adherents with the unshakable belief that the conversion of the nation to socialism was at hand or but a question of a few years.

The best periodical publication of orthodox Owenism was *The Co-operative Magazine* (1826-30), which contains a great amount of constructive matter. . . . This is a subject of one of their debates:

"Would the arts and sciences flourish under the co-operative system?"

In these debates the term "Socialist" must have been coined. It is found for the first time in *The Co-operative Magazine* of November, 1827.

The policy of concession in preference to force becomes one of the main characteristics of the history of the relations between Liberalism and Labor. The idea of political equality, flowing from a purely doctrinal and humanitarian source, expresses itself in Parliamentary measures and softens the clash of antagonistic interests, which originates in field, factory, and mine, and finds its expression in trade unionist action. Hence it comes that the economic action of Labor, in passing through the atmosphere of Liberal Parliamentary politics, loses its revolutionary edge and temper. The hard-bargaining and unsentimental capitalist-employer becomes in Parliament a Liberal,

and the Revolutionary Labor leader, when elected to Parliament, turns into a reformer. This is the cause and source of the frictions between Labor in the workshop and Labor in Parliament. And this is the cause of the hatred of the ultra-conservative and the revolutionary against Liberalism. On the one hand, Liberalism facilitates the rise and movement of Labor, and is, therefore, hated and branded as subversive by Conservatives; on the other hand, Liberalism prevents the rising and moving working classes from falling into the extremes of purely economic and revolutionary action, and is, therefore, hated and branded as hypocritical, by Revolutionists.

Coleridge wrote:

We have game laws, corn laws, cotton factories, Spitalfields, the tillers of the land paid by poor rates, and the remainder of the population mechanized into engines for the manufactory of new rich men; yea, the machinery of the wealth of the nation made up of the wretchedness, disease, and depravity of those who should constitute the strength of the nation. Meantime the true historical feeling, the immortal life of the nation, generation linked to generation by faith, freedom, heraldry, and ancestral fame, languishing and giving place to the superstitions of wealth and newspaper reputation. Talents without genius; a swarm of clever, well-informed men: an anarchy of minds, a despotism of maxims. Hence despotism of finance in government and legislation . . . and hardness of heart in political economy. Government by clubs of journeymen; by saints and sinner societies, committees, institutions; by reviews, magazines, and above all by newspapers.

And Beer goes on to say:

The trend of conservative and religious minds towards mediævalism became pronounced, as it always will in Christian countries in times of spiritual and social anarchy, or after a surfeit at the feasts of reason and materialist conceptions of nature and life. The great European minds have, since the Renascence, been oscillating between Olympus and Golgotha, moving to and fro in search either of happiness or redemption.

In spite of the increase in the population of the towns the parliamentary representation of the nation in 1830 remained the same in character as it was in 1760. The entire economic revolution appeared incapable of affecting the composition of Parliament in the slightest degree. Only the hardest thinkers of the Lancashire workers, in particular John Doherty, the leader of the textile operatives, dreamed

of creating a political Labor Party with the trades unions for its units. According to this plan the local and district unions were to be affiliated for the sole purpose of dealing with matters affecting trades unions, but all the unions should together form a National Association to undertake the emancipation of the working class by means of parliamentary and socialistic action. This plan only became realized in the year 1899-1900 by the formation of the Labor Party. It is obvious that the founders of the Labor Party had no conception that seventy years earlier the idea of a similar organization had originated. At that time it remained a mere dream, for during the agitation for the Reform Bill the workers formed a part of the political union for the middle and working classes.

The later months of 1831 saw the birth of the idea of a social-revolutionary general strike. At that time, 1831-32, Benbow owned a coffee-house at No. 205 Fleet Street, where he penned his pamphlet on the social-revolutionary general strike. It bears the title: *Grand National Holiday and Congress of the Productive Classes.* It appeared towards the close of 1831 or in January, 1832, and was dedicated to the workers.

It said:

We suffer from over-population, so we are told. Good. Let us count ourselves; let us find out the large numbers of the working men and the small numbers of the privileged class.

We find the term *the general strike* for the first time in the *Herald of Rights of Industry,* April 5, 1834.

Owen made the attempt to displace private industry and competition by means of peaceful co-operative establishments and wherever possible by a union between the workers and the capitalists. The object of syndicalism was to expropriate the capitalists by continued hostilities and to get the factories, workshops, and agricultural industries into the hands of the trade unionists.

Up to the year 1832 the trades union movement passed through the following stages of development: organization for the purpose of mutual support, organization of a single trade for the purposes of strikes and mutual support, finally organization of allied trades (trades unions). These economic unions were non-political; their members were either Tory or Whig, or adhered to Radicalism and vied with the members of the other classes in struggling for a definite political program. In any case, the economic unions of the

workers only pursued aims which did not go beyond daily interests, and which did not seriously affect the stability of the prevailing system of society.

From 1832 onwards the position was changed. The organized workers became anti-parliamentary for a time. They cut themselves off from parliamentary politics, not for the purpose of observing neutrality, but in order to fight against parliamentary action, and to attain by means of trades unions what had hitherto been only considered possible of attainment by legislation. At the same time Robert Owen came on the scene with his anti-parliamentary views and placed before the trades unions the aim of converting society from capitalism to socialism by means of productive co-operation.

Owing to its alliance with Owenism, trades unionism assumed a Utopian character antagonistic to its essential nature. The economically organized working class possessed no preconceived system of society. It regarded class warfare as a means of raising wages and lowering profits. For the time being it was not concerned with what would happen if the profits sank to zero. As soon as the struggle had strengthened the workers' organization sufficiently for them to checkmate capital, they would take over the business of production and would conduct it for the benefit of the workers. They are, to use Henri Bergson's or Belfort Bax's phraseology, alogical.

The motto of the weekly, *The Pioneer,* was, "The day of our redemption draweth nigh." Its editor was James Morrison, a young, self-taught operative builder, who began with Owenism and ended with syndicalism. Beyond all doubt, Morrison must be regarded as the originator of the syndicalist conception of class-antagonism on the part of the working-classes.

It was proposed in 1833 that a general congress, to sit in London, was to take the place of parliament and to regulate the production of the whole country.

The Poor Man's Guardian (1832) wrote of this general period:

A spirit of combination has grown up among the working classes of which there has been no example in former times. A grand national organization which promises to embody the physical power of the country, is silently, but rapidly progressing; and the object of it is the sublimest that can be conceived, namely—to establish for the productive classes a complete dominion over the fruits of their own industry. Heretofore, these classes have wasted their strength in fruitless squabbles with their employers, or with one another. They have never sought any grand object, nor have they been united for those they sought. To obtain some paltry rise, or prevent some paltry

reduction in wages, has been the general aim of their turn-outs; and the best result of their combinations, even when successful, was merely to secure their members against actual want in the day of sickness, or of superannuation. These and the like objects were only worthy of slaves; they did not strike at the root of the evil; they did not aim at any radical change; their tendency was not to alter the system, but rather to perpetuate it, by rendering it more tolerable; nay, they in some respects only aggravate the evils of the workman's condition, as for instance, in benefit societies, of which the tendency is to pinch the bellies and backs of the contributors to the fund, in order to save the poor-rates, that is to say, the pockets of the affluent classes, from the just claims of brokendown industry. An entire change in society,—a change amounting to a complete subversion of the existing "order of the world"—is contemplated by the working classes.

Beer's comment is that all this has a remarkably modern sound. In general, ever since 1833, the whole phraseology is modern. The terms social democrat, trades unionism, strike, general strike, bourgeoisie and proletariat, politics and anti-politics, class-warfare and solidarity of classes, etc., have been in general use ever since that period. Occasionally, and especially in reading *The Poor Man's Guardian* and the *Pioneer,* it is possible to imagine one's self transferred to the present day.

The incompatibility between peaceful socialism and fighting syndicalism, hitherto hidden and unrecognized, began to make itself noticeable from about the end of 1833.

The *Crisis* wrote—April 12, 1834:

The immediate consequences of any attempt to crush the efforts of the popular mind, at this present juncture, will be a most resolute determination on the part of the people to legislate for themselves. This will be the result. We shall have a real House of Commons. We have never yet had a House of Commons. The only House of Commons is a House of Trades, and that is only just beginning to be formed. We shall have a new set of boroughs when the unions are organized; every trade shall be a borough, and every trade shall have a council of representatives to conduct its affairs. Our present commoners know nothing of the interests of the people, and care not for them. They are all landholders. How can an employer represent a workman? There are 133,000 shoemakers in the country, yet not one representative have they in the House of Commons. According to the proportion they bear to the population they ought

to have twenty-five representatives. The same is with carpenters and other trades in proportion. Such a House of Commons, however, is growing. The elements are gathering. The character of the Reformed Parliament is now blasted, and, like the character of a woman when lost, is not easily recovered. It will be substituted by a House of Trades.

A writer in the *Pioneer* (1834) said:

. . . The growing power and growing intelligence of trades unions, when properly managed, will draw into its vortex all the commercial interests of the country, and, in so doing, it will become, by its own self-acquired importance, a most influential, we might say almost dictatorial, part of the body politic. When this happens we have gained all that we want; we have gained universal suffrage, for if every member of the Union be a constituent, and the Union itself becoming a vital member of the State, it instantly erects itself into a House of Trades which must supply the place of the present House of Commons, and direct the industrial affairs of the country, according to the will of the trades which compose the associations of industry. This is the ascendant scale by which we arrive at universal suffrage. . . . With us, universal suffrage will begin in our lodges, extend to the general union, embrace the management of trade, and finally swallow up political power.

Again, another writer in the *Pioneer* (1834) said:

Social liberty must precede political liberty. While we are in a state of social slavery our right would be exercised to the benefit of our tyrants, and we should be made subservient to the parties who work for us for their purposes. No, before the horse is turned out to enjoy freedom in the green meadow, he must be unharnessed from the shafts of the wagon; the galling rein that holds back his neck in the collar must be loosened, the bit must be taken from his mouth, and the collar itself from his shoulders; nor will he go forth in the valley rejoicing in his strength, while the limber of the gear hangs over his loins and encumbers his feet. To say, indeed, we shall never be free until we have universal suffrage is saying nothing more than we shall never be free until we are free. . . . Our position, brethren, is not political, and it cannot become political with any benefit to ourselves until we have found means to obtain a greater independent weight in society. This can only be the result of Unions.

The workers tried to form the One Big Union—the "Grand National Consolidated Trades Union" (1834).

The employers, the press, and the State, attacked it. The law courts convicted. Lock-outs and strikes exhausted some of the funds. Officials embezzled some of the rest. The labor leaders quarreled. In 1834, the One Big Union smashed.

John Francis Bray sang the requiem of the syndicalist movement.

He wrote:

> The capitalist and the employer have always ultimately been too strong for them; and trades unions have become, among the enemies of the working class, a by-word of caution or contempt—a record of the weakness of Labor when opposed to Capital—an indestructible memento of the evil working of the present system in regard to the two great classes which now compose society.

Labor turned to an independent labor policy, socialist aims, peaceful and educational methods. At the end of 1835 the approach of Chartism proper was perceptible.

"Chartism" merely signifies democratic parliamentary reform. The Chartists aimed to seize the reins of government as quickly as possible: "Peaceably if we may—forcibly if we must."

The People's Charter was originated in the year 1837 to 1838 by the London Working Men's Association, and was drawn up by the joiner, William Lovett. The People's Charter was nothing more than a plain and clearly written Bill, containing the following six points in the form of sections and paragraphs: (1) Universal Suffrage, (2) Equal Electoral Districts, (3) Abolition of Property Qualifications for parliamentary candidates, (4) Annual Parliaments, (5) Ballot, (6) Payment of Members of Parliament.

All the great manifestoes of Chartism, *e.g.*, the Declaration of Rights of 1831 and 1839, the three petitions of the Chartists in 1839, 1842, and 1848, refer to the law of nature as the irrefutable proof of the justice of their democratic demands.

Chartism suffered up to the very last from the impossibility of conferring upon the masses a firm and unified organization, since the Corresponding Act (1817) did not permit of founding a national organization with branch societies.

"Chartism was not a movement of the lowest strata of society, but of the best elements of the industrial population."

O'Connor said in 1839:—"Violent words do not slay the enemies but the friends of our movement."

O'Brien had written in 1838:—"Is there any hope that without an entire change of the system the operative will be able to command a fair day's wage for a fair day's work? The thing is, in my opinion, impossible."

Ulterior measures proposed included:

1. Withdraw money from banks, and convert paper money into gold and silver.
2. "Sacred month" (general strike).
3. Refuse payment of rents, rates, and taxes.
4. Arm themselves.
5. Elect by show of hands.
6. Boycott opposing newspapers.

But the day of the workers had not come—not even for full political enfranchisement, and peaceful constitutional seizure of power. The Chartist movement flickered, flared, and finally died away. The leaders were harried; the rank and file dispersed. Organization had not perfected itself. There was lack of social knowledge. So economic power remained in the middle class, and, as the consequence, political power, the control of the State. Business men were the significant class. They knew what they wanted. They had obtained it. They continued to hold it.

Reviewing what has been quoted, we see the origins of British Socialism in the instincts of the workers. We hear the recurrent expressions and explosions down the generations. We see the era of machinery working a suppression of those instincts, but at the same time creating slowly an organization of the wage-hands. We see them blindly rebelling against the machines, and tricked by electoral reform which still left them unenfranchised. We witness:

> The disillusionment of Labor and the consequent rise of revolutionary trades unionism or Syndicalism (1833-34), the growth of Chartism or a Socialist Labor Party (1836-48); finally the rise of the Oxford movement, Young England and Christian Socialism—all this stupendous mental ferment in the years from 1825 to 1850 appears to be repeating itself now on a larger and higher scale. . . . Or is it a mere coincidence that revolutionary trades unionism followed in the wake of the agitation for the Reform Bill, 1832, and that Syndicalism and general strikes have been treading upon the heels of the Constitutional crisis that began with Mr. Lloyd George's Finance Bill? . . . And is Tariff Reform destined to mark the close of the social

ferment of the present day as the triumph of Free Trade marked the close of the Chartist era? . . .

We have seen the idea of the general strike rising ninety years ago, the idea of industrial unionism, class war, of the Parliament of Producers, and of the Soviet representation.

For the last nine years the revolutionary tides have been running ever more strongly, and the war has heaped them still higher.

In the old days, as Beer points out, "radicals" were rewarded in this fashion:

In 1834—William Godwin was appointed gentleman usher.

In 1849—Samuel Bamford was made doorkeeper at Somerset House.

And now, in 1906—John Burns entered the Cabinet.

Economic power is swiftly passing to the workers, and so political power registers the gain. Social knowledge is being placed at their disposal. But the urge is the same as that which drove the workers of 1830. The fundamental ideas remain. The buried life awakens.

In the next section, we shall see Beer's estimate of the recent years.

II

(This second volume of Beer's book has not appeared in English)

From the struggle and catastrophes between the beginning of Chartism in 1825 and its end in 1855, "the lesson emerged that the revolutionary policy of 'all or nothing,' of a sweeping triumph by one gigantic effort, of contempt for reform and the supreme value of a total and radical subversion of the old, were foredoomed to failure and defeat. The generation that followed Chartism went into Gladstone's camp and refused to leave it either for the social Toryism of Benjamin Disraeli or for the social revolution of Karl Marx."

The period 1855-1914 was:

(1) A ceaseless and more or less conscious struggle between Socialists and Liberals for the sympathies and votes of the working classes.

(2) The development of socialism from revolutionary doctrine to political practice.

(3) The tendency towards the transformation of individualist liberalism into social liberalism.

In 1884, John Burns called upon working men to rouse themselves from the slumber in which they had been sunk since 1848. The economic depression which began in 1875 reached its lowest depths in 1886. The dockers' strike of 1889 brought Ben Tillett, Tom Mann, John Burns, Will Thorne, Annie Besant, Eleanor Marx, into leadership.

"Four-fifths of the socialist leaders of Great Britain in the eighties had passed through the school of Henry George."

1881—The Social Democratic Federation,[1] founded by Henry M. Hyndman, later to become the British Socialist Party, and then to split further into the National Socialist Party (1916).

1884—The Fabian Society guided by Sidney Webb, the greatest mind in the labor movement of the last generation, perhaps the most important intellectual figure in British labor since Robert Owen.

1893—The Independent Labor Party, founded by Keir Hardie, and continued by Philip Snowden, Ramsay MacDonald, and others.

1899-1900—The Labor Party, in part guided by Ramsay MacDonald, and later also by Arthur Henderson and Sidney Webb.

1903—The Socialist Labor Party, founded by Scottish secessionists from Hyndman's Social Democratic Federation, "after the model of the American Socialist Labor Party, led by Daniel De Leon (died 1914), an extreme Marxist, who in the last years of his life embraced syndicalist views."

British socialism in its long history went through these phases:

1. Primitive Christian traditions, Minorite doctrines, and village communities. "It bore a religious, ethical, and tribal character."

2. Constructing ideal commonwealths. "Its character was essentially romantic."

3. Class war. "Unable to achieve reform, it rushed into the revolution. Strange are the mental processes of man. They lead him sometimes to the belief that, whilst he may be unable to achieve a little by daily efforts, he may accomplish everything by

[1] In 1908, it became the Social Democratic Party.

one supreme sacrifice. . . . Revolution is but the last act of a long evolutionary process, or the sum total of gradually accumulating reforms. Physical force is but an incidental phenomenon of revolution."

4. The application of socialism to practical politics. "Its foremost exponent is Sidney Webb. Its character is exclusively and consistently reformist. It has nothing to do with class warfare; it does not address itself to any class, but to enlightened public opinion."

"The Fabian Society by its intimate connection with the I. L. P., by its affiliation to the Labor Party, by drawing to its work some of the most alert University Socialists, finally, by its close application to all live questions of socialism and labor, has, after thirty years of its existence, become the brain of the socialist movement of the United Kingdom."

To Bernard Shaw and Sidney Webb, "the Fabian Society owes its importance in the history of British socialist thought." They gradually shook themselves free from the old socialist traditions, separating themselves from the doctrinal bases and propagandist methods of all socialist organizations. "Were his ardent temperament and dour determination not counterbalanced by an analytical intellect and sense of the ludicrous, Shaw would have been a revolutionary leader."

"It makes no difference whether socialism is to be established by reasoning from the labor value theory and class struggle, which is Marxian, or from the theory of rent and collective effort, which is Fabian." The point is to get the ideas and the phrasing which are adapted to the community that is to be persuaded.

"Socialism had to be adapted to democracy. This adaptation has been performed by Sidney Webb. It represents the transition from Marxism to Fabianism, or from social revolutionary doctrine to social practice." Conditions were ripe. The State was ready to enact social reform. The trade unions had won economic power. There was a public conscience on evils. "The magnum opus of Fabian reform is the Minority Report on the Poor Law. Socialism turns into a series of social reforms. The socialist agitator gives place to the social investigator."

The attempts by strait sects and shibboleths and rigid abstractions to force socialism down the throat of the British worker

had not succeeded. Then, the Fabians and the I. L. P. came along, omitted the word socialism, used the British method of next step compromise and succeeded enormously. Out of their work come the Labor Party, where three and a half million trade unionists are pushing a socialist program, but it is a socialism of practice. "The speakers of the I. L. P., in their educational work among the trade unionists, hardly ever referred to revolution and class-warfare, but started from the ethical, nonconformist, and democratic sentiments which appeal most to British workmen."

As the I. L. P. waxed, the Social Democratic Federation waned —waned and finally split. It was not the day for dogmas and crashing finalities. The I. L. P. and a few Fabians are the dynamic of the Labor Party. "The Labor Party stands for social reform —for a socialistic re-organization of society by gradual steps, but it is not social revolutionary. It has no final goal, but immediate aims; it does not occupy itself with theories, but with practical measures. . . . The rise of the Labor Party meant the beginning of the end of Liberalism."

"The years from 1908 to 1914 formed a period of social upheaval which was essentially revolutionary." The war bred a further change, away from quiet permeation, and political practice, toward that increasing syndicalism which had been operating since 1910. Many of the young men began to want a stern code of action, with an ultimate aim and a Day of Judgment in it. A new fervor sweeps large masses, as the idea of workers' control seizes their imagination. They turn to the pure doctrine of Marx in labor colleges and study groups. So far as Britain is concerned, Marx has for the first time entered the region of practical politics. Once again the youths see themselves dramatically in the class war, at "the great historical moment." The vision that lifted itself in the 1830's, and died in 1848, has flashed again into their sight.

The Clyde area in Scotland and the valleys of South Wales are two regions where the winds of doctrine now blow increasingly. In particular, "the simple, emotional, and enthusiastic nature of the Welsh working men was, and still is, averse from dilatory tactics and parliamentary methods; it expects sensational deeds in any popular agitation. Their temperament resembles that of the French proletariat, but it is nourished and stimulated by primitive Christian feelings rather than by logical inferences."

The New Syndicalist Phase

"The syndicalist movement or revolutionary trade unionism is differentiated from the socialist or collectivist movement by the emphasis it places (a) on the economic factor as the primary formative agent of social arrangements and social ethics, (b) on the economic antagonism between Capital and Labor, (c) on the direct action and struggle of the working class for its emancipation from the wage basis of livelihood or for the control of the means of production by Labor itself, (d) on the trade union and not on the electoral district as the focus of Labor power. Syndicalism, therefore, is averse from conciliation boards and industrial agreements between employers and employees; it recognizes no social peace or even truce as long as the wage basis prevails; it is opposed to parliamentary politics being made an integral and important part of the labor movement; it scorns social reform by Liberal or Conservative or labor legislation; it refuses to believe in the efficacy of a labor policy acting through parliamentary representatives and labor officials. The syndicalist movement is pre-eminently revolutionary; the socialist movement is largely reformist. The former puts itself deliberately outside the present system of society in order the better to get hold of it and to shake it to its very foundations; the latter is working within the present order of society with the view of gradually changing it. The syndicalist knows therefore of no compromise; class warfare, relentless and continual, is his supreme means. Starting from the premise, (a) that economics rules social relations and shapes social ethics, (b) that the economic antagonism between Labor and Capital is irreconcilable, the syndicalist cannot arrive at any other conclusions."

These principles may be termed the syndicalist form of Marxism.

The first body to spread syndicalist views in Great Britain was the Socialist Labor Party in Scotland, whose members originally belonged to the Social Democratic Federation but gradually came under the influence of the Socialist Labor Party in the United States of America and finally seceded from the S. D. F. in 1903. The leader of the American Socialist Labor Party was Daniel De Leon, a University graduate and a strict adherent of Marxism, who for a long

time worked on the application of Marxist theories to the American Labor movement.

The first symptoms of the operation of the new spirit manifested themselves in the rebellion of many trade unionists against their officials; from 1908 onwards it became a difficult matter for the officials of many trade unions to obtain from their members the ratification of agreements and settlements entered into by them with the employers. The British workman, generally loyal, conservative, and docile, began to refuse to follow his leader. Simultaneously some of the students of Ruskin College expressed their dissatisfaction with the spirit of the economic lectures delivered to them by some of their teachers and formed a Plebs League for the purpose of counteracting the influences which they thought served but the interests of the capitalists. The Plebs students formed a section of the Industrial Workers of the World and in 1909 seceded from the College and formed a Central Labor College, at first in Oxford, then in London, where the lectures and lessons are conceived in the spirit of the syndicalist form of Marxism. It is supported by the South Wales miners and railway men.

The ideas of Industrial Unionism streaming from America through Scotland into England were supplemented and strengthened by the current of syndicalism coming from France. After the excitement of the Dreyfus affair and the disappointment with the Socialist Minister Millerand, some of the Marxists and anarchists coalesced and turned the French syndicalists or trade unions into the revolutionary Confédération Générale du Travail. French syndicalism has been more theoretical and philosophical than American Industrial Unionism, but in essence both of them represent the same revolt against socialist and labor parliamentarism and official-ridden and petty trade unionism.

The French influence was brought to bear on the British labor movement by Tom Mann, who, after thirty years of truly Odyssean adventures in the trade union and socialist movement of Great Britain and the Colonies, went in June, 1901, to Paris in order to see syndicalism at work. He "was much impressed with the attitude of the revolutionary comrades in France, who had been able to accomplish a magnificent work by permeating the unions and forming the C. G. T." The journey to Paris was, however, by no means the hegira of Mann. Unconsciously to himself he had imbibed in Australia the spirit of the American I. W. W. His studies among the French workmen were but the finishing touches to his conversion. After his return from Paris he at once set to work to permeate the British trade unions, which, as Mann admits, for some five or six years previously

had carried on "an agitation for the closer combination of the unions and for the adoption of different tactics."

In the meantime, Tom Mann and his brother industrial unionists, among whom the most prominent was James Larkin, were exercising considerable influence on the strike movement of those years, in which the English transport workers, the British railwaymen, the British miners and the Irish transport workers played so conspicuous a part. Nothing like the general strike of the British miners in the spring of 1912 had ever happened before. A comparison of this strike movement with that of the years 1839-42 exhibits in an unmistakable manner the enormous advance British Labor has made in organizing and executive capacity. It is a growing and rising power; its activities are changing the structure of society.

Interpretation and Adaptation of Syndicalism

"Notable attempts at interpreting syndicalism and adapting it to British mental and material conditions have been made by several socialist intellectuals—G. D. H. Cole and a group of *New Age* contributors. Cole sees in the new Labor movement the inchoate expression of the desire of the more intelligent and alert workmen for the control of production. He argues that the socialist and labor parties and collectivist schools had been regarding the social problem first and foremost as a problem of distribution of the division of the national income.

"The trade union should do for modern industry what the guild did for the mediæval arts and crafts. Collectivism would form an industrial bureaucracy; syndicalism—an industrial democracy. Pending the consummation of this supreme end and aim, the workers, if they desired an improvement of their condition, should co-ordinate their forces, organize on the basis of industrial unionism and use the weapon of the strike, since political action could achieve little, if anything at all. The Liberal reforms in the years from 1906 onwards, for all the praise bestowed on them by politicians, had practically done nothing to raise the conditions of Labor. The strikes from 1911 to 1913 had raised wages, improved the condition of labor and increased the respect for the organized working class far beyond any so-called social reform legislation could have done. Where the strike failed it was due

to the obsolete form of trade union organization. The day of the small union had passed. Large industry must be confronted with greater unionism. The small trade union was wasteful. Labor parliamentarism, as at present constituted, was a costly delusion."

CHAPTER III

THE NEW CLASS OF GOVERNMENT SERVANT

MR. GRAHAM WALLAS, who was called as witness before the Coal Industry Commission, said:

I am Professor of Political Science in the University of London, and was a member of the MacDonnell Commission on the Civil Service (1912-15). I am not a professed economist, but am familiar with some of the political and administrative arguments for and against "Nationalization." Many of the arguments which I have heard used against nationalization seem to me to involve a confusion between the results of large-scale organization and those of nationalization. The village carrier is impelled to be efficient by different motives from those which impel the State parcel-postman. But much, if not most, of that difference would also be found if one compared him with the man who delivers parcels for a large privately-owned railway company; or if one compared a village shopkeeper with one of the employees of a multiple-shop company, or of the Co-operative Wholesale Society.

Nearly all students are, I believe, agreed that the advantages of large-scale organization of some kind outweigh its disadvantages in the case of railway service; and some students believe that the balance of advantage is on the same side in the case of the distribution of food in urban areas. I myself believe, though I have no expert knowledge of the technical facts, that large-scale organization of some kind is an advantage in British coal-getting.

If so, the question is narrowed down to a comparison between nationalization and other forms of large-scale organization. Apparently, in the course of the discussion it is being further narrowed to a comparison between the nationalization and large-scale private administration with a considerable degree of State control. I shall myself consider the problem of nationalization neither as an industrial nor as a technical, but as an administrative problem.

It is proposed that the State should become responsible for the appointment, discipline, promotion, and control of perhaps twelve hundred thousand persons, men, boys, women, and girls, ranging from the managers of great systems of pits down to pit-boys and girl typists. My own opinion is that this will be an advantage to the community if the State takes reasonable care in avoiding certain

administrative dangers, and that it will be a disadvantage to the community if such care is not taken.

The most obvious administrative dangers may be summed up as follows:

(*a*) The coal-mining service might become corrupt in the ordinary sense. Posts might be sold by those who had the power to fill them, as posts in the British Civil Service were sold in the seventeenth and eighteenth centuries.

(*b*) The service might get, in the American sense, "into politics." Posts and promotion would be given as a reward for political work or political subscriptions; and those who opposed the party which for the moment dominated either Parliament or the district concerned might be passed over or dismissed, or refused work.

(*c*) The service might become, as some of the fifteenth and sixteenth century guilds became, a "family affair." Officials and workmen might acquire a customary right to appoint or admit to employment their sons or other relatives. Outsiders might only be admitted to work for which there were few applications, and superior and inferior hereditary grades would be thus created.

(*d*) Or all or some of these evils might develop sporadically and partially.

I should suppose that instances of all these evils might be found in the existing private administration of the industry. Any improvement in the conditions of the service which made admission to it more desirable than admission to other forms of employment would, of course, increase the danger, whether the industry were publicly or privately owned.

In approaching similar problems in the Civil Service, the Royal Commissions which have inquired into them (of which the Playfair, Ridley, and MacDonnell Commissions have been the most important) have separated the forms of service into (i) administrative and clerical, (ii) technical, and (iii) manual.

The most elaborate system that has been built up in the British Civil Service is that providing for admission to and promotion in clerical and administrative work. The basis for this system is admission by open competitive examination in the subjects of a general education. It is believed that a properly educated young man or woman can be trained after appointment to do the administrative work even of such a technical department as the War Office or the Admiralty. The higher posts in this work are therefore normally given to those who have been trained in it. If this system is used

to any extent in the mining service it would probably be well to require a certain knowledge of natural science in the examination, even from the future clerks and secretaries of the service. The present distinction between "Class I" appointments and those of a lower grade might be modified; and promotion might mainly depend rather on proved efficiency than on the examination by which the original appointment was made. Perhaps it would be well to hold the examinations not in London, but in the coal districts; so that the mass of the candidates, especially for the minor clerical posts, would normally come from those districts, and be familiar with their conditions.

The appointment of technical officers under the State, such as Government chemists, or engineers, or lawyers, or doctors, has hitherto been somewhat haphazard. The Playfair and Ridley Commissions practically ignored this problem. The MacDonnell Commission recommended that in the appointment of young men and women for technical posts reliance should mainly be placed on competitive examination in technical subjects, and that in the appointment of older persons to posts for which they might be expected to have been trained outside the service, all posts should be advertised and applications should be considered by technical committees of selection containing at least one representative of the Civil Service Commission. Since the technical work of coal mining is highly specialized, it would probably be found that the best men for the higher technical posts would be selected from those trained from youth in the service. If so, it will be necessary to provide carefully against "regionalism" in promotion. A brilliant young mining engineer should be able to look forward to the chance of appointment to an important post outside his own district. Care should also be taken that women shall be eligible for all work for which their powers are suited. I believe, for instance, that some of the best living "fossil botanists" are women.

The British State has hitherto given very little general attention to the problem of the best way of appointing, promoting, and dismissing manual workers outside the Army, Navy, and postal service. I do not know, for instance, that there exists in print any description of the actual forces which influence the appointment or refusal to appoint applicants for manual work in the State dockyards.

Appointment and promotion of manual workers to a service so large and complex as the coal-mining industry would be a comparatively new problem. It should be carefully inquired into as soon as nationalization is decided on, and continuously watched during the development of the new system. The existing miners would, of course, be taken over by the State, and any system of filling new vacancies and making new appointments should probably be decen-

tralized, and perhaps made to conform, as far as can be done without loss of efficiency, to the best local traditions.

The evidence given before the various Commissions on the Civil Service and my own administrative experience, both on the London School Board and on the London County Council, suggest to me that it would be well for the State, in taking over so large a new service, to consider carefully the right way of dealing with those cases of slackness and inefficiency (both on the administrative and on the technical side) which do not amount to gross misconduct. This problem also exists, of course, in large-scale private industry.

If the mines are nationalized, and particularly if examination is to be used to any considerable extent as a means of recruiting, it will be found that the problem of employment is closely bound up with that of the technical and general educational systems of the mining districts. Those who are engaged in the organization of technical education and research should be brought into close contact with the whole system. A young engineeer or chemist, for instance, whom it is proposed to promote to a higher grade of work, might well be given a short leave of absence, together with opportunities of research, either in Britain or in America, under the general direction of a high technical expert.

All these administrative problems would exist, and would have to be solved, whether the form of nationalization adopted were administration by an ordinary Government Department or such a scheme of joint Governmental and vocational control as that proposed by Mr. Straker in his evidence.

An essential difference between coal-getting and other industries consists in the fact that the existing coal deposits when once exhausted cannot be renewed; so that each generation of the inhabitation of Great Britain has to decide how far it will prefer the interests of its successors to its own interest. In this all-important respect I believe that nationalization would have an advantage over private ownership. The same man will, I believe, when he is acting as a voter or Member of Parliament or Minister, or State official be more influenced by national interests in distant future than when he is acting as a shareholder, or manager, or member of a trade union.

The Viscount Haldane, who was called as witness before the Coal Commission, testified as follows:

Chairman: Lord Haldane, I think that you were Lord Chancellor, and that you were Minister of War from 1905 to 1912?—Yes.

I am afraid I must ask you one or two questions about that in order to lead up to the question that I desire to ask you. I think that

during that time you had very considerable experience of, and were responsible for, the reorganization of a great State Department?—That was so.

Am I right in thinking that during that time you organized the Territorial Forces of the Crown, and that also you provided for a very speedy mobilization of our Forces in the event of the nation being called upon to go to war?—That was so.

I think, as a result of your efforts, a very speedy mobilization of our Forces was effected when war was declared against Germany?—Yes. The thing we concentrated upon was extreme rapidity of mobilization and concentration in the place of assembly, and that we carried out.

I suppose it is no longer a secret, but war was declared on Tuesday, August 4th, 1914, and I think within a matter of twelve or fourteen hours, under the scheme of mobilization which you had prepared, some of our troops were already in France?—Yes, within a very short time: within a very few hours troops were in France.

How long was it before the whole of the British Expeditionary Force was placed in the Field at the appointed place?—On Monday, 3rd August, 1914, at the request of the Prime Minister, I, as Lord Chancellor, went back to the War Office and mobilized the machine with which I was familiar. That was done at 11 o'clock upon Monday, August 3rd, and the giving of the orders took only a few minutes; everything was prepared years before.

How long was it before the whole of the Expeditionary Force was able to be placed in France?—The whole of the Expeditionary Force was ready to transport to France on the spot. It was ready, I should think, within 48 hours. The War Council which was held decided that four infantry divisions and a cavalry division should go at once, and that a fifth division should follow in a week, and then another division should follow a little later. That was carried out, as the War Council directed, by the War Office.

The reason I am putting those questions is to show that you had great experience in organizing a branch of the State. The problem we have before us is, if nationalization should be decided upon, whether the present Civil Service, or some remodeling of the present Civil Service, would be in a position successfully to cope with the problems that would face them if the coal industry were run nationally?—Yes. What I should like to say something about, if you will allow me, is the question of whether it is possible to train a body of Civil Servants fit for rapid and efficient administration.

I have not had a *précis* from you because time has been rather short, but I should be much obliged to you if you would now take up that subject, and place your views before the Commission?—That brings

me at once to what I am dealing with. In the Army some of these administrative things are just as difficult and just as complicated as any that occur in ordinary civilian business. They require qualities which the ordinary Civil Servant is not trained to develop. They require, to begin with, a great deal of initiative. No doubt it is true, in peace time especially, that every officer looks to his superior; but we encouraged, as far as we could, the principle of allocating responsibility and encouraging initiative, telling a man what he had to do in general terms, having first made sure that he was competent to do it, and then showing that we held him responsible for doing it and for doing it for the least money possible and in the swiftest and most effective fashion. That was an ideal which we did not succeed in wholly living up to, but it was a principle which seemed to me to work out effectively. There is no doubt in that period some extraordinarily efficient military administrators were trained up. I hope this Commission will not think by "military administrative officers" I mean the kind of people who have come in, justly or unjustly, for a good deal of criticism before the public lately. Those are mainly men not trained for the purpose. I am speaking of the young men we took and then put through a special course of training. The thing we found was that in this, as in everything else, education is of vital importance, and then special education coming upon the top of a sufficiently generally educated mind. We had no school and we had no staff college in which to train our administrators, and there was not the least prospect in those days of Parliament giving us money for one. But we had another thing to hand: We took the London School of Economics, with which some of the members of this Commission are familiar. I myself approached the London School of Economics, and with the very great assistance which I had from a member of the Commission, Mr. Sidney Webb, I induced them to take in hand the task of training 40 administrative officers for us in each year. Courses were designed, and they were taught things which they never could have learned in the Army. I think it will be found if you inquire from others that that training was of enormous advantage in France. There these young officers were serving—officers on whom was placed enormous responsibility and also a great deal of necessity for devising initiative for themselves. Englishmen, if they have any aptitude for it, are particularly good at getting out of tight places, and these officers, trained as they were to deal with all sorts of problems, in France and Flanders showed very great capacity in doing so. In Mesopotamia it was the same.

Do you think the class of men to whom you have been good enough to direct our attention is a class of men who possess the qualities of courage and of taking initiative?—Yes. I am very glad you have

given me an opportunity to speak about that. There are some men who have it not in them to take initiative or assume responsibility, and they never will. I think, as a rule, in the civilian business world these men fail as they fail in the Army. In the business world the other men come to the top, and are picked out and chosen and put to their work. That is not so usual in a service. It is more difficult in the Civil Service where people come in according to rules and succeed to places very largely according to seniority. In the army and Navy, where selection obtains to a considerable extent, and ought to obtain to a still greater extent, it is much easier. You pick a man because he is particularly good at the sort of work you want him for. You ask him to devote himself to administration, and, if he does, you may get a man just as valuable and just as good as you will find in the business world. It is quite true he has not got what is the great impulse in the business world, namely, the desire to make a fortune for himself, but he has another motive, which, in my experience, is equally potent with the best class of men, namely, the desire to distinguish himself in the service of the State. If he thinks he will be recognized because of his public spirit and his devotion to his duty, that public spirit and devotion to duty will make him do anything: there is no sacrifice of himself he will not make. Of course, I am talking of the best type of men, such as the men I came across and saw in the Army. That class of man, I believe, exists in far greater number in the two services than has been supposed at the present time. I am only taking them as illustrations of sources from which you can draw. I am not suggesting to this Commission that they should nationalize under the Army and Navy, but I am only saying why I think there is a source which is neglected from which public servants might be drawn. You get these men and they have been trained to a sense that they must be responsible even with their own lives for the attainment of the object which you intrust to them to accomplish.

We appear then to have created a sort of new class of (I will call them for the moment) officials for want of a better term. What is the future of those men if they have to remain in the Army or in the Navy?—I will come to that in a moment, but I wish to say we did not create them: they were there, but undeveloped. Splendid material was there, but the nation had never thought of training them in the right way. They had trained the commanding officer, but they had never trained the administrator who was really just as necessary to them. I want to say now that I do not think the State recognizes the extent to which not only in the Army and the Navy, but outside the Army and the Navy, there are young men in whom those qualities can be brought out—the quality of initiative and the quality of devo-

tion to duty, which are as powerful a motive as the motive of business men if they are only developed in the right atmosphere.

Should I be right in saying that, in your opinion, there is a class of man who combines the strongest sense of public duty with the greatest energy and capacity for initiative?—In my opinion there is a large class.

And that is a class that can not only be trained in the future but which, in your view, is to hand at present?—They are to hand at present. I have spoken of the Army because I know the Army and perhaps because I love it, but it is certainly equally true of the Navy. If I may say so, the Navy has given even less attention to this question than we tried to do in the Army.

Speaking of that class, with regard to the coal industry, do you think it would be necessary, if one drew or selected from that class in the sort of way you have been good enough to tell us, to give these men some special training to fit them for the coal industry in the event of it being necessary?—I think so, and, if I may, I will just put the steps which I think would be necessary. My idea for the Army and Navy is that young men should not go into them too early. With regard to the age of entry in the Navy (it is low enough in the Army now, but too early in the Navy at the present so far as I can judge) I should like to see it begin at 17 or 18 years. I believe that is quite early enough, when a young man has a general education. That would give an opportunity for the son of the working man just as for the son of the duke to go into these services. It will all depend upon whether he feels it in him, and whether he is chosen on indications which satisfy those who have to make the selection. At that age he will have gone in with an amount of education which he does not get at the present time. I do not believe in special schools, because they are never so good as the schools which give a broad general basis on which to develop the mind. He would then go in, and his first years of course would be thorough education in his duty, naval or military. A little later he would specialize more and more in those duties. He would go into the field and go on board ship—whatever might happen—and then I should like, if he has aptitude for what I may call general staff duties as distinguished from others, to see him trained for those. If he is the sort of young officer that has it in him and if he has the aptitude for the other side equally, then encourage him to train for the administrative side. That administrative side would have to be organized and developed and recognized to an extent which it has not been up to now. Then when he was 25 or 26 he might feel, "Well, I have great aptitude for administration. I have distinguished myself so far as I have gone. But it is peace time and the Army

and Navy do not seem likely to want me. I have a better chance if I can serve the State in another Department." Then I should like to see the State, having kept a watch over that class of officer and selecting the best of them, put them through a special course of training. I am not sure I know anything much better than the kind of atmosphere we had in the London School of Economics. It was purely civilian and free from militarism, and it was very good. There they were trained in making contracts and in local government, in the law of administration, in railway management, and a variety of other things which they could choose, or all of which they could take. A comparatively short course of that develops enormously and very rapidly the capacity of a really first-rate man already trained in his own profession. He becomes very capable and apt as an administrator. I have seen it over and over again in officers of that kind who later in life have gone into civilian administration, and they are very good indeed. Then there is something else to be seen to. It is not at present the business of the London School of Economics to teach initiative. Initiative is a matter of the spirit and a matter of temperament. Like courage and temperament, initiative can be developed. I should like to see a school of the State teach the necessity of that and the necessity of a man relying upon himself and making his own decisions. As you see, I put education in a very wide and broad sense as the foundation of the question whether you can train administrators for the service of the State.

On the question of salary, do you think the State would have to raise the scale of salary to make it correspond with that which prevails in private employment?—I am all in favor of paying good salaries, because, in the main, you get what you pay for, and it is still more clear that you do not get what you do not pay for. That is human nature, and it is as strongly implanted in the miner as in the State official. The State official, hitherto, has been the patient beast of burden who has been underpaid, and whose salary has risen very slightly compared with the cost of living. Equally good salaries do not mean the salaries which rich men require in order to live as rich men. Your general in the Army, your colonel, your captain, your admiral in the Navy, your commander, live on what the rich man often calls very little indeed, but their reward comes to them in another way. They have social advantages which he has not. They are rewarded by the public, by honors, and by positions which tell. I do not like that being a monopoly of the fighting services. I want to see it extended to the other administrative services of the State, and I think it can be. It has been partly extended to the Civil Service, and I want it extended to those larger Civil Services of which we are speaking.

Mr. Justice Sankey, as chairman of the Coal Industry Commission, reported:

The Civil Servant has not been trained to run an industry, but the war has demonstrated the potentiality of the existence of a new class of men (whether already in the service of the State or not) who are just as keen to serve the State as they are to serve a private employer, and who have been shown to possess the qualities of courage in taking the initiative necessary for the running of an industry.

Hitherto, State management of industries has on balance failed to prove itself free from serious shortcomings, but these shortcomings are largely due to the neglect of the State to train those who are to be called on for knowledge and ability in management.

The experience of the last few years has, however, shown that it is not really difficult for the British nation to provide a class of administrative officers who combine the strongest sense of public duty with the greatest energy and capacity for initiative. Those who have this kind of training appear to be capable in a high degree of assuming responsibility and also of getting on with the men whom they have to direct.

CHAPTER IV

WHAT PEOPLE SAY

The Social Revolution

On September 24th, 1919, the *Manchester Guardian* said:

Privilege of class, of wealth, of opportunity, and of birth is not to be swept lightly away. The struggle will not be a short one, and if at times both sides take breath to recover there is no need to delude ourselves into the belief that we are yet all members of one family with common objects and a common outlook. The new spirit of Labor cannot live with any spirit of pure industrial efficiency which denies to the worker essential human interests. The satisfaction of these interests may be unprofitable and economically unwise. But it is the whole point of the new Labor movement that it thinks less in terms of economics and more in terms of self-development, self-expression, and the capacity for power.

Viscount Esher on March 23rd, 1919, wrote (*The Weekly Dispatch*):

The new forces of democracy, reflected as they are in the awakening of the vast masses of what are called the lower classes, are a far greater dynamic power than were those of the middle class of a hundred years ago. The danger, therefore, of disturbance is more acute.

Dean Inge wrote on November 26th (*Manchester Guardian*):

I believe that our industrial system is dying. It may be that the industrial revolution was a biological mistake, that the human organism is not adapted to that kind of life. If so, we shall revert through infinite discomfort and suffering, to a simpler economic structure and a much smaller population.

Bonar Law said on June 5th, 1919:

It is idle to hide from ourselves that there is in our own country something—not enough to frighten anybody, but more perhaps than is generally recognized—something of a real revolutionary movement.

On June 5th, 1919, Sir Robert Horne said:

We have skipped a generation. Five years of war have taught men more and created more aspirations than half a century of peace.

Ramsay MacDonald in the *Labor Leader* of August 28th writes:

We cannot create a revolution, in the constructive sense in which I use it, by superficial changes in wages and hours. That is only to destroy the capitalist system, to throw certain groups of nations out of the highways of great world commerce—or, at best, to readjust capitalist relationships.

The war has ended British commercial supremacy. All that the so-called patriots have done is to dig the grave of the British Empire, and if all that we can do between the time of dying and burial is to fight over the distribution of what remains of the old inheritance, it is not worth doing.

The conflict in which we are interested is not that which is confined within the walls of factories and counting houses, it is that broadened out in its significance until it is seen as a conflict between the capitalist and the industrial State.

Such combinations of workmen, as the miners and the railwaymen, are in a position to fight as sections, and it is right that they should do so. But they should fight as advance guards of the community. Their battle is not theirs but ours. Herein lies the genius of Smillie's leadership. From this is also apparent the short-sightedness of direct action *as opposed to* political action, and the utter vanity of thinking that under a democracy, or anything approaching to a democracy, there is any practical value in a "dictatorship of the proletariat."

On March 19th, J. T. Brownlie, Chairman of the Executive Committee of the Amalgamated Society of Engineers, told of his interview with the King:

The King at once said that it was in order to get an absolutely frank expression of views that he had sent for me. Then I spoke out. I explained that I had been a Socialist for a quarter of a century and that I thought the time had come for a great and historical change in social and industrial conditions. Such changes had been the history of the race, and the evolutionary forces which had produced them were assuredly as potent as ever.

Labor and Capital

R. H. Tawney (*Daily News,* July 11th, 1919) says:

The truth is that we are all hampered in our efforts at clear thinking by phrases which never meant much and now mean nothing. One of them is, "Labor and Capital." This venerable formula is a fraud and it is time that reputable writers ceased repeating it. "Labor" consists of persons; "Capital" consists of things or claims to things. To lament "the strife" or to plead for "co-operation," between "labor and capital" is much as though an author should deplore the ill-feeling between carpenters and hammers or undertake a crusade to restore harmonious relations between mankind and their boots. The muddle is not mended by the fact that by capital is meant "capitalists." For the vice of the phrase is that it treats the claims of "labor and capital" as co-ordinate. If they are, and were generally recognized to be, co-ordinate, *cadit quaestio.* But the problem only arises because an increasing proportion of mankind believes that the world should be managed primarily for those who work, not for those who own. To start by burying that fundamental issue beneath smooth phrases as to "the common aim of industry" is to assume the very point which requires to be proved, and which alone provides matter for discussion.

Religion

On "The Religion of Labor," the Rev. R. W. Cummings (Vicar of Hurst, Lancashire) writes (*Daily News,* September 5th):

It is the futility of a religion of mere subjective metaphysical idealism that needs emphasis to-day. It has been the so-called materialists who, by the methods of scientific economic reorganization, have shown to a fumbling idealism the method by which justice and fellowship could be woven into the physical texture of man's earthly life. And it is the accredited champions of Idealism who are the foremost defenders of the pitiless and illogical competitive system which Labor knows it must destroy, that it may rescue the soul of the world.

Before we can appreciate what the "Religion of Labor" is likely to be we must realize that the Labor movement is only incidentally an economic revolution. Fundamentally, it is the practical expression, in the field of politics, of a newly emerging philosophy of life that has scant reverence for the beliefs and thought forms molded and shaped out of the imperfect and even erroneous knowledge of the

pre-scientific period. With perfect courage, candor, and intelligence it is going to think out all the implications of historic materialism.

Whether this religion will be definitely Christian or not will depend on the intellectual honesty and spiritual candor of the Church's leaders; the present outlook is not hopeful. We shall not affect the matter by abusing "materialism." If we would be hopeful we had better accept the modern materialist movement, as of God, and, following the Divine method of the Incarnation, weave or incarnate into it the ideals of fellowship and service and love. For only by weaving these ideals into the material fabric of the common life can we change them from the disembodied ghosts they are to-day into physical embodiments of the attributes of God.

Nationalization

On nationalization, the Bishop of Peterborough wrote in *The Times* on March 21st, 1919:

I doubt whether those who are not in close touch with the workers realize the intensity of the feeling in favor of the nationalization of those vital services on which the life of the community depends. As a most conservative and law-abiding ticket collector said to me not long ago, "We railwaymen want to feel that we are working as directly for our country in peace as we fought for her in war," and in saying so he was doubtless speaking for hundreds of thousands of like-minded men and women.

Can we expect it to be otherwise? For nationalization is simply the projection into the paths of peace of the spirit which captured our industries, and still more our Armies, in war time, when no man thought of personal profit, but all of the common weal.

The point I would venture to emphasize is that strong currents of opinion in the country are setting towards such a revision of outlook as will regard the great industries as national services rather than private ventures.

Viscount Milner said on July 16th:

Whatever may be our own feelings and inclinations, it is impossible to deny that there is an irresistible trend of opinion, not only in this country but in all civilized countries, which will result in a greater measure of public ownership, or public control in connection with fundamental national industries such as coal.

The old industrial order is passing away, and we have to try to

lend a hand in the peaceful establishment of the new order. I believe that in the future, as in the past, there will always be room for private enterprise, but also believe the trend of modern thought, both in regard to social and political development, is all in favor of greater socialization of certain fundamental and basic industries, of which coal must be one.

Capitalism

Bertrand Russell, in *The Nation* of June 7th, 1919, wrote:

The Labor Movement must be international or doomed to perpetual failure; it must conquer America or forego success in Europe until some very distant future. Which of these will happen, I do not profess to know. But I do know that a great responsibility rests upon those who mold progressive thought in America: the responsibility of realizing the new international importance of America, and of understanding why the shibboleths of traditional Liberalism no longer satisfy European lovers of justice. The only right use of power is to promote freedom. The nominal freedom of the wage-slave is a sham and a delusion, as great a sham as the nominal freedom which the Peace Treaty leaves to the Germans. Will America, in her future career of power, content herself with the illusory freedom that exists under capitalist domination? Or will her missionary spirit once more, as in the days of Jefferson, urge men on along the way to the most complete freedom that is possible in the circumstances of the time? It is a momentous question; upon the answer depends the whole future of the human race.

War

Of war, Lord Robert Cecil has said:

Do not be blinded by poets and historians. There has been a conspiracy not yet broken down to dwell on the glories of battle and cover over its horrors. The truth is that war has always produced these results, more or less marked according to the magnitude of the struggle, and war always will produce these results. Lord Grey has pointed out to you that a future war will be more terrible than this one. I believe that that is a prophecy which may be made without fear of falsification.

The Press

Jerome K. Jerome has clearly said what an increasing number of the workers feel about the press. His article has been widely used in the Labor papers:

Nine-tenths of the press of this country is in the hands of a small group of rich men who mean to rule the nation. It is the press that has killed constitutional action. The press seeks to kill Free Thought —to kill Free Speech. And it is succeeding. It has monopolized to itself all the sources of information. It stands between the thinkers and the people. It will not allow anybody but itself to be heard. It poisons the mind of the people with false information. It suppresses facts that it does not wish the people to know. It doles out to them only such "news" as it considers good for them. It colors the truth for its own purposes. It dresses up lies in plausibility. It is the press and not Parliament that rules England to-day. Parliament only registers its decrees, and the Government is nothing but its tame executive. No politician who wishes to succeed dare flout its commands. It makes and unmakes Cabinets. The Public Service is its plaything. The press itself in its turn is ruled by the Capitalists. It depends for its existence upon the great advertisers. In its turn it is the instrument of the great financial interests and their aristocratic dependents. The press is the enemy of the people. It has usurped the entire authority of the country. Exempt from all responsibility, with neither a body to be kicked nor a soul to be damned, it has become the most dangerous despotism that Democracy has ever been called upon to face. The press of to-day exercises the same vicious tyranny that in the Middle Ages was exercised by the Church: the tyranny over men's minds. It rules by the same weapon: lies and humbug.

The New Order

When General Smuts left England for South Africa, he gave this statement on July 18th:

In spite of the apparent failure of the Peace Conference to bring about the real and lasting appeasement of the nations to which we had been looking forward, our faith in our great ideals should be kept untarnished. The sting of bitterness should be taken out of the great disillusion which is overtaking the peoples. Instead of sitting down in despair as reactionaries or anarchists, we should continue to march forward with firm step as those who have the Great Hope.

A new life, a new spirit is imperatively necessary if Europe is not to fall backward and lag behind other continents in the great march of humanity. Her lot is indeed pitiable beyond words. The Continent which is the motherland of our civilization lies in ruins, exhausted by the most terrible struggle in history, with its peoples broken, starving, despairing, from sheer nervous exhaustion mechanically struggling forward along the paths of anarchy and war,

and seeing only red through the blinding mist of tears and fears; almost a mad Continent, more fit for Bedlam than for the tremendous task of reconstruction which lies before it. It is the most awful spectacle in history, and no man with any heart or regard for human destiny can contemplate it without the deepest emotion.

Old ideals of wealth, of property, of class and social relations, of international relations, of moral and spiritual values, are rapidly changing. The old political formulas sound hollow; the old landmarks by which we used to steer are disappearing beneath a great flood.

Among the nations of the world this great country has in the past enjoyed the most splendid reputation for political wisdom, generosity, and magnanimity. Let this mighty Empire, in this great hour of victory and at the zenith of its power, win a great moral victory, so that the ideals which have shaped the destiny of our great Commonwealth of Nations may become the common heritage of the League of Nations and of Europe. Only then will this war not have been fought in vain, and the future garner the far off interest of our tears.

IRELAND

THE Labor Party's Irish policy is pretty clearly defined as far as resolutions go, but opinion has not crystalized upon the exact meaning to be attached to Conference resolutions. Two resolutions are relevant. The first was adopted at the 18th Annual Conference of the Party in London in June, 1918—this Conference was really the program Conference held after the changes in methods of party organization, and the resolution is based on Labor and the New Social Order. It runs:

"That this Conference unhesitatingly recognizes the claim of the people of Ireland to Home Rule, and to self-determination in all exclusively Irish affairs; it protests against the stubborn resistance to a democratic reorganization of Irish government maintained by those who, alike in Ireland and Great Britain, are striving to keep minorities dominant; and it demands that a wide and generous measure of Home Rule on the lines indicated by the proceedings of the Irish Convention should be immediately passed into law and put into operation."

An amendment to delete the reference to the Irish Convention was carried.

The second resolution is that adopted at the Amsterdam Meeting

of the permanent Commission of the Internationale appointed at Berne. It runs:

"The International Conference demands that the principle of free and absolute self-determination shall be applied immediately in the case of Ireland; affirms the right of the Irish people to political independence; demands that this self-determination shall rest upon a democratic decision expressed by the free, equal and secret vote of the people, without any military, political, or economic pressure from outside, or any reservation or restriction imposed by any Government. The Conference calls upon the Powers at the Peace Conference to make good this rightful claim of the Irish people."

In mere terminology, the Amsterdam resolution goes considerably beyond the Party resolution; and would cover the demand for an Irish Republic if that were expressed in a plebiscite of the Irish people. Strictly interpreted, of course, the resolution would not rule out a plebiscite by districts, which would give Ulster the opportunity of making its wishes known, leading possibly to a partition of Ireland along the lines of strict self-determination. The Labor Party would find it difficult, under the terms of this resolution, to resist the demand of the Irish people for complete severance from the Imperial system, and there is a section of the movement which is quite logical in its view that if the Irish people want a republic, they must have it, with complete control over all their affairs, even the creation of a defense force, control of their economic policy (meaning, possibly, protection), control over their police, and of course no veto by the Imperial Parliament on any legislation of the Irish House or Houses.

This policy goes a good deal beyond what most Labor people mean by a wide and generous measure of Home Rule. A majority of the Party means Dominion Home Rule, which leaves foreign policy, defense, and probably trade relations under the control of the Imperial Parliament. It is true that Dominion Home Rule should mean freedom for Ireland to determine its own fiscal policy, like Australia and Canada now do; but many free-trade advocates of Home Rule would hesitate before giving Ireland freedom to impose a protectionist policy, which would probably be directed against England.

Broadly speaking, it may be said, with some confidence, that the Labor Party would accept Gladstonian Home Rule, Do-

minion Home Rule, or the Home Rule Act at present on the statute Book, as an instalment. They want to get the Irish problem settled, and the reference to a "wide and generous measure" really means the utmost concession that can be wrung from the dominant minority at the present time. It is not that Labor is niggardly, or desires to limit the exercise of self-determination by the Irish people, but that it regards politics as the art of the possible, and would therefore accept almost any instalment of political freedom which would be acceptable to the Irish people, if only as an instalment, and thus get this problem out of the way. They could not, on their principles, refuse an Irish Republic, but there is a feeling that they ought to find some means of preventing Ireland becoming a stepping-off place for a continental invasion of the British island, or a mere outpost of some one else's empire.

As yet it is fair to assume that the Party's Irish policy implies that Dominion Home Rule is as far as they can go, with limitations covering foreign policy, national defense, and fiscal affairs.

In the House of Commons on December 22, 1919, Arthur Henderson said:

"Considering whether the Government scheme meant self-determination for Ireland or even for the whole of Ulster, he said the Ulster Unionists had never asked for anything in the nature of a separate Parliament. It was not proposed even to consult the whole of the Ulster people by conferring on them the right of a county vote. At best the Government scheme could be regarded only as a half-hearted, unsatisfying compromise. The Government might have produced its scheme on the lines usually described as Dominion home rule *minus* the control of the navy and army and giving county option. Another course, and one which he thought preferable, would be to allow the Home Rule Act to have come into operation and to have left to the Irish Parliament which would be summoned the working out of its own constitution. That would have been the nearest approach to self-determination. The members of the Labor Party were anxious to assist the Government in ending the long night of ill-will and misunderstanding which had dominated the life of Ireland. When the time of the final test came their attitude towards the proposals would be determined according to the principle of self-government."

THE WEBB "HISTORY"

Twenty-six years after the original, the revised edition of the "History of Trade Unionism" by the Webbs was published in February of 1920.[1] The trade union orders, prior to publication, reached 19,000—the largest edition of a serious work on an economic subject ever published in Britain. The publication of the Webb History in 1894 was as definite a landmark in the movement of British democracy as the various acts that extended the suffrage, or the Trade Disputes Act. The unions had worked in the dark, piecemeal, instinctively. Here for the first time, they found their knowledge pooled, and therefore available. What had been blind groping became a little more conscious.

The Webbs find to-day over six million British workers in trade unions—60 per cent of all the adult male manual working wage-earners. Trade union membership has doubled in the last eight years.

"The growing strength of the Movement has been marked by a series of legislative changes which have ratified and legalized the increasing influence of the wage-earner's combinations in the government both of industry and political relations."

Among such are:

Trade Disputes Act—1906.
Trade Boards Act—1908.
Coal Mines Regulation (8 hours) Act—1908.
National Insurance Act—1911.
Trade Union Act—1913.
Corn Production Act—1917.
Trade Boards Extension Act—1918.

The Decline

Among the changes of the last thirty years is the decline in relative influence of the cotton operatives.

"The building Trades have lost their relative position in the Trades Union world to nearly as great an extent as the cotton operatives. They have, for a whole generation, supplied no influential leader."

[1] In the United States, in the spring of 1920.

The Metal workers include Engineering or machinists, boiler making and shipbuilding, the producers of iron and steel from the ore. The Engineers (machinists) have greatly increased in membership, but not in strength.

The printing trades have remained stationary.

A relative decline in influence among boot and shoe makers has been manifest.

The Rise

In the same period of thirty years (1890-1920):

"We have the rise to influence not only in the Trade Union Counsels but also in those of the Nation, of the Women Workers, the General Laborers, the 'black-coated proletariat' of shop assistants, clerks, teachers, technicians, and officials, the miners and the railwaymen, which has been the outstanding feature of the past thirty years."

"In 1920 we find the organizations of the despised section of general laborers and unskilled workmen, some of them of over thirty years' standing, accounting for no less than 30 per cent of the whole Trade Union membership, and their leaders—notably Mr. Clynes, Mr. Thorne, and Mr. Robert Williams—exercising at least their full share of influence in the Counsels of the Trade Union Movement as a whole."

"The total number of agricultural laborers in Trade Unions in 1920 probably reaches more than a quarter of a million, being about one-third of the total number of men employed in agriculture at wages."

"The outstanding feature of the Trade Union world between 1890 and 1920 has been the growing predominance, in its Counsels and in its collective activity, of the organized forces of the coal-miners."

The Railway Strike

The Webbs give a summary of the railway strike. The Government learned that Trade Unionism is not easily beaten, even when all the resources of the State are put forth against it. The great Capitalist organizations have seen the warning against their projects of a general reduction of wages; and this is postponed, at least, for a year. Labor has learned the magnitude of the struggle, the need for skilled publicity work, and for a General Staff.

"A notable feature of the railway strike was a revolt of the Compositors and printers' assistants, who threatened to strike and stop the newspapers altogether unless the railwaymen were allowed to present their case, and unless abusive posters were abandoned."

"The Cabinet was certainly warned, by high military authority, against attempting to use the troops."

Structure

"At present the forty-eight largest Trade Unions of the Country concentrate a larger membership than the much praised forty-eight Trade Unions of Germany did in 1914."

"Besides the active soldiers in the Trade Union ranks, to be counted by hundreds of thousands, we had, in 1892, a smaller class of non-commissioned officers made up of the secretaries and presidents of local unions, branches and district Committees of National Societies, and of Trade Councils; of these we estimate that there were, in 1892, over 20,000 holding office at any one time. These men form the backbone of the trade union world, and constitute the vital element in working-class politics. . . .

"These non-commissioned officers of the labor movement, from whose ranks nearly all the Trade Union leaders emerge, actually determine the trend of working-class thought. Nevertheless, these men are not the real administrators of trade union affairs. . . .

"The actual government of the trade union world rests exclusively in the hands of a class apart, the salaried officers of the great societies. This Civil Service of the trade union world numbered, in 1892, between six and seven hundred."

In 1920

"The affairs, industrial and political, of the six million trade unionists, enrolled in possibly as many as 50,000 local branches or lodges, are administered by perhaps 100,000 annually elected branch officials and shop stewards. These may be regarded as the non-commissioned officers of the movement.

"We estimate the total number of the salaried officers of all the trade unions and their federations at three or four thousand.

"Whilst the movement has marvelously increased in mass and momentum, it has been marked on the whole by inadequacy of leadership alike within each union and in the movement itself, and by a lack of that unity and persistency of purpose which wise leadership alone can give. . . . The British workmen have not become aware of the absolute need for what we may call labor statesmanship.

"It is, we think, only the Iron and Steel Trades Confederation that has laid down and acted on the principle of intrusting the appointment of salaried officials to the Executive Committee, on the express ground that popular election by ballot is not the right way to select administrative officers.

"It looks as if any democracy on a vocational basis must inevitably be dominated by a diversity of sectional interests which does not coincide with any cleavage in intellectual opinions."

The State and Trade Unions

"The trade union itself has been tacitly accepted as a part of the administrative machinery of the state.

"The getting and enforcing of legislation is, historically, as much a part of trade union function as maintaining a strike.

"Trade unionism has, in 1920, won its recognition by Parliament and the Government, by law and by custom, as a separate element in the community, entitled to distinct recognition as part of the social machinery of the state, its members being thus allowed to give—like the Clergy in Convocation—not only their votes as citizens, but also their concurrence as an order or estate. . . ."

Trade Unionism is now distinctively represented on Royal Commissions and Departmental Committees. It has entered the inner Councils of the Government, and is recognized as part of the machinery of State administration. Trade unions are agents of the National Insurance Scheme for sickness, invalidity, and maternity benefits, and the State Unemployment benefit.

"In practically every branch of public administration, from unimportant local Committees up to the Cabinet itself, we find the trade union world now accepted as forming, virtually, a separate constituency, which has to be specially represented."

"After two years propagandist effort, it seems as if the principal industries, such as agriculture, transport, mining, cotton, engineering, or shipbuilding are unlikely to adopt the Whitley Scheme. The Government found itself constrained, after an obstinate resistance by the heads of nearly all the departments, to institute the Councils throughout the public service. We venture on the prediction that some such scheme will commend itself in all nationalized or municipalized industries and services, including such as may be effectively 'controlled' by the Government, though remaining nominally the property of the private Capitalist—possibly also in the Co-operative Movement; but

that it is not likely to find favor either in the well-organized industries (for which alone it was devised) or in those in which there are Trade Boards legally determining wages, etc., or, indeed, permanently in any others conducted under the system of capitalist profit-making."

Workers' Control

From the collapse of Owenism and Chartism right down to 1910, the British Trade Unions thought of themselves as organizations to secure an ever-increasing control of the conditions under which they worked.

"They neither desired nor sought any participation in the management of the technical processes of industry; whilst it never occurred to a Trade Union to claim any power over, or responsibility for, buying the raw materials or marketing the product.

"The pioneer of the new faith in the United Kingdom seems to have been James Connolly. He was a disciple of the founder of the American Socialist Labor Party, Daniel De Leon."

Then came Tom Mann, fresh from organizing strikes in Australia, and inspired by a visit to Paris.

"The Syndicalist Movement had died down prior to the war, but the Industrial Unionist Movement simmered on in the Clyde district and in South Wales. Its chief organization is the Socialist Labor Party. It was, we think, the moving spirits of the S. L. P. who were, as Trade Unionist workmen, mainly responsible for the aggressive action of the Clyde Worker's Committee between 1915 and 1918, and also for the rise of the shop stewards' movement, and for its spread from the Clyde to English engineering centers. At the present moment (1920) the S. L. P., owing to the personal qualities of its leading spirits, J. T. Murphy and A. MacManus, holds the leading position in the school of thought, which received a great impulse from the accession of Lenin to power in Russia. But it remains a ferment rather than a statistically important element in the Trade Union world.

"The revolutionary Industrial Unionism and Syndicalism preached by James Connolly and Tom Mann and other fervent missionaries between 1905 and 1912 did not commend itself to the officials and leaders of the Trade Unions. . . . But, like other revolutionary movements in England, it prepared the way for constitutional proposals. The bridge between the old conception of Trade Unionism and

the new was built by a fresh group of Socialists who called themselves National Guildsmen. There was a rapid adoption between 1913 and 1920 by many of the younger leaders of the movement, and subject to various modifications, also by some of the most powerful of the Trade Unions, of this new ideal of the development of the existing Trade Unions into self-organized, self-contained, self-governing industrial democracies, as supplying the future method of conducting industries and services."

The Trades Union Congress of 1917 pressed the Government to place the railways under a Minister of Railways, "who shall be responsible to Parliament, and be assisted by national and local advisory committees, upon which the organized railway workers shall be adequately represented." [1]

At the Annual Conference in 1919 of the Postal and Telegraph Clerks Association, the control demanded was not restricted to securing better conditions of employment but aimed at participation in directing the technical improvement of the service.

The Miners' Bill is given in full at Section 3, Chapter 2, of the Appendix. It is a demand for full joint control.

Direct Action

The most sensational examples of Direct Action were afforded by the National Union of Sailors and Firemen in preventing labor leaders from traveling.

"Another case was the withdrawal by the Electrical Trades Union in 1918 of their members (taking with them the indispensable fuses) from the Albert Hall in London, when the directors of the Hall canceled its letting for a labor demonstration.

"The 'last word' in Direct Action is with the police and the army, and there not with the officers but with the rank and file. The vast majority of Trade Unionists object to Direct Action, whether by landlords or capitalists or by organized workers, for objects other than those connected with the economic function of the Direct Actionists. Trade Unionists, on the whole, are not prepared to dis-

[1] From that modest demand to the Joint Control demand of 1920 is the measure of the British Social Revolution. Harry Gosling, head of the Transport Workers, has made the same psychological change in three years.

approve of Direct Action as a reprisal for Direct Action taken by other persons, or groups. With regard to a general strike of non-economic or political character, in favor of a particular home or foreign policy, we very much doubt whether the Trades Union Congress could be induced to endorse it, or the rank and file to carry it out, except only in case the Government made a direct attack upon the political or industrial liberty of the manual working class, which it seemed imperative to resist by every possible means, not excluding forceful revolution itself.

The New Unionism

"The Trade Unionist objects, more strongly than ever, to any financial partnership with the capitalist employers, or with the shareholders, in any industry or service, on the sufficient ground that any such sharing of profits would, whilst leaving intact the tribute of rent and interest to householders, irretrievably break up the solidarity of the manual working class.

"The object and purpose of the New Unionism of 1913-1920 cannot be attained without the transformation of British politics, and the supersession, in one occupation after another, of the capitalist profit maker as the governor and director of industry.

"Profound was the disappointment, and bitter the resentment, of the greater part of the organized Labor Movement of Great Britain when it was revealed how seriously the diplomatists at the Paris Conference had departed from these terms (labor, Lloyd George and Wilson Statements) in the Treaty of Peace which was imposed on the Central Empires.

"The General Federation of Trade Unions may be said to have now disappeared from the Trade Union world as an effective force in the determination of industrial or political policy.

"Any history of Trade Unionism that breaks off at the beginning of 1920 halts, not at the end of an epoch, but at the opening of a new chapter."

The movement is seething with new ideas, but also is uncertain of itself. It is groping after a precise adjustment of powers and functions between Associations of Producers and Associations of Consumers.

"As yet the mass of the people, to whom power is passing, have made but little effective use of their opportunities. At least seven-eighths of the nation's accumulated wealth, and with it nearly all the

effective authority, is still in the hands of one-eighth of the population. The leisure class—the men and women who live by owning and not by working, a class increasing in actual numbers, if not relatively to the workers—seem to the great mass of working people to be showing themselves, if possible, more frivolous and more insolent in their irresponsible consumption, by themselves and their families, of the relatively enormous share that they are able to take from the national income.

"The truth is that Democracy, whether political or industrial, is still in its infancy."

To state the democratic problem in fundamental form, "the sea-saw is between the aspiration to vest the control over the instruments of production in Democracies of Producers, and the alternating belief that this control can best be vested in Democracies of Consumers."

"The record of successive attempts, in modern industry, to place the entire management of industrial undertakings in the hands of Associations of Producers has been one of failure. In marked contrast, the opposite form of Democracy, in which the management has been placed in the hands of Associations of Consumers, has achieved a large and constantly increasing measure of success."

Not only is this shown in certain extensive fields of industrial operation of Municipal and National Government, but in the success in the importing, manufacturing, and distributing of household supplies, of the voluntary Associations of Consumers known as the Co-operative Movement.

A vocational democracy is now to be superposed on a democracy based on geographical constituencies.

In each generation there is the intolerant fanaticism of enthusiasts insisting on some one form of democracy. To-day we see a revival of faith in Associations of Producers, as the only form that democratic organization can validly take.

"There would seem to be a great development opening up for the Works Committees and the 'Shop Stewards.'"

The object and purpose of the workers comprise "nothing less than a reconstruction of society, by the elimination, from the nation's industries and services, of the Capitalist Profit-maker.

Profit-making as a pursuit, with its sanctification of the motive of pecuniary self-interest, is the demon that has to be exorcised. 'Co-partnership,' or profit-sharing with individual capitalists, has been seen through and rejected. But the 'co-partnership' of Trade Unions with Associations of Capitalists—whether as a development of 'Whitley Councils' or otherwise—which far-sighted capitalists will presently offer in specious forms (with a view, particularly to Protective Customs Tariffs and other devices for maintaining unnecessarily high prices, or to governmental favors and remissions of taxation) is, we fear, hankered after by some Trade Union leaders."

The above are a few extracts from the new "History." The Webbs mop up every salient minute fact. They operate like a vacuum cleaner. The student of British labor need hardly be reminded that no other book on these recent years is so necessary for him as the revised *History* of the Webbs.

GENERAL COUNCIL FOR LABOR

The special Trades Union Congress of December 9 and 10, 1919, passed this resolution:

"That . . . the Parliamentary Committee be instructed to revise the Standing Orders of Congress in such manner as is necessary to secure the following changes in the functions and duties of the Executive body elected by Congress:—

"(1) To substitute for the Parliamentary Committee a Trades Union Congress General Council, to be elected annually by Congress.

"(2) To prepare a scheme determining the composition and methods of election of the General Council.

"(3) To make arrangements for the development of administrative departments in the offices of the General Council, in the direction of securing the necessary officials, staff, and equipment to secure an efficient Trade Union center.

"Further, the Parliamentary Committee be instructed to consult with the Labor Party and the Co-operative Movement, with a view to devising a scheme for the setting up of departments under joint control responsible for effective national and international service in the following and any other necessary directions:—

"(*a*) *Research:* To secure general and statistical information on all questions affecting the worker as producer and consumer by the co-ordination and development of existing agencies.

"(*b*) *Legal advice* on all questions affecting the collective welfare of the members of working-class organizations.

"(*c*) Publicity, including preparation of suitable literature dealing with questions affecting the economic, social, and political welfare of the people, with machinery for inaugurating special publicity campaigns to meet emergencies of an industrial or political character."

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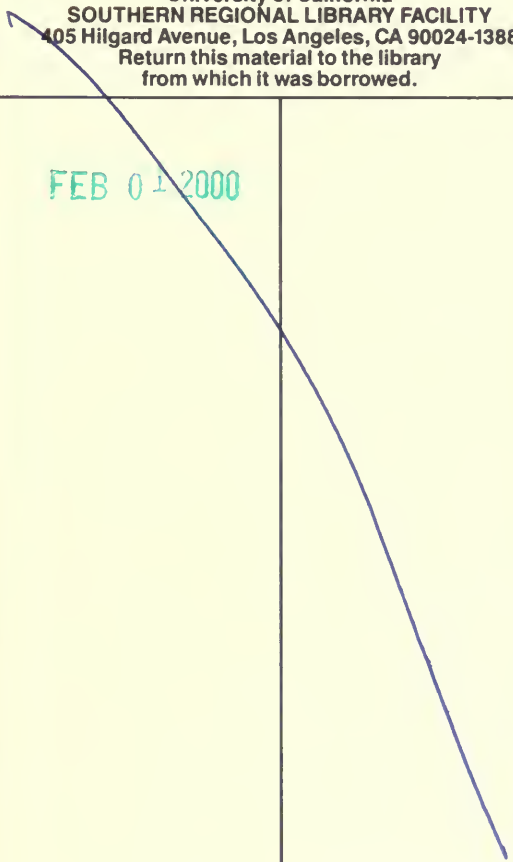
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